

CANADA

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OFFICIAL REPORT

FIRST SESSION—THIRTIETH PARLIAMENT

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TO THE FIFTH DAY OF NOVEMBER, 1974, INCLUSIVE

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HOUSE OF COMMONS

Monday, September 30, 1974

FIRST SESSION—THIRTIETH PARLIAMENT

[*English*]

The twenty-ninth parliament having been dissolved by proclamation on Thursday, May 9, 1974, and writs having been issued and returned, a new parliament was summoned to meet for the dispatch of business on Monday, September 30, 1974, and did accordingly meet on that day.

Monday, September 30, 1974

This being the day on which parliament is convoked by proclamation of His Excellency the Administrator of the Government of Canada for the dispatch of business, and the members of the House being assembled:

Alistair Fraser, Esquire, the Clerk of the House, read to the House a letter from the assistant secretary to the Governor General informing him that the Honourable Bora Laskin, Chief Justice of Canada, in his capacity as Administrator of the Government of Canada would proceed to the Senate chamber to open the first session of the thirtieth parliament of Canada on Monday, the thirtieth of September, at ten thirty o'clock.

A message was delivered by Major A. G. Vandelac, Gentleman Usher of the Black Rod, as follows:

Members of the House of Commons:

It is the desire of the Honourable the Deputy of His Excellency the Administrator of the Government of Canada that this honourable House attend him immediately in the chamber of the honourable the Senate.

Accordingly, the House went up to the Senate chamber, when the Speaker of the Senate said:

Honourable Members of the Senate,

and Members of the House of Commons:

I have it in command to let you know that His Excellency, the Administrator of the Government of Canada does not see fit to declare the causes of his summoning the present parliament of Canada until the Speaker of the House of Commons shall have been chosen according to law, but this afternoon, at the hour of three o'clock, His Excellency, the Administrator of the Government of Canada will declare the cause of calling this parliament.

* * *

● (1050)

ELECTION OF SPEAKER

MR. JAMES JEROME, MEMBER FOR THE ELECTORAL DISTRICT OF SUDBURY

Right Hon. P. E. Trudeau (Prime Minister): Mr. Fraser, at this point—

An hon. Member: The same old bunch!

Some hon. Members: Oh, oh!

Mr. Trudeau: The same old bunch, Mr. Fraser, but a little more numerous this time.

Some hon. Members: Hear, hear!

Mr. Trudeau: At this point in the opening of the thirtieth parliament we are engaged in the election of a Speaker. Few people outside this House realize how basic the choosing of this officer is to the functioning of this institution and to the course of our mandate for the next few years.

The qualities which a Speaker is supposed to possess are truly formidable. I doubt that anyone outside of politics would consider for a moment stepping into a position which demanded so much. My predecessor, the late Lester B. Pearson, when nominating a Speaker, described his qualities in the words of Socrates. Referring to the requirements for a judge, the Greek philosopher said: "Four things belong to a judge; to hear courteously, to answer wisely, to consider soberly and to decide impartially."

[*Translation*]

It is fitting that the Speaker of the House of Commons should seek inspiration from these wise words. At various times in our history, there have always been some exceptional men to take on the very difficult task of conducting with fairness and self-control the proceedings of colleagues with very decided and widely different political convictions. We are all aware of the courage and the wisdom, the experience and the sense of humour that this task requires.

Regardless of his background and of his political affiliation, the designated candidate is in duty bound to serve the members of parliament from all areas and of all political parties. This duty is fundamental.

On the other hand, during the proceedings of the House, members of parliament are equally in duty bound to cooperate fully and entirely with the Speaker, and I am certain that all join with me in wishing great success to the holder of this position. During three parliaments, Mr. Lucien Lamoureux served the House of Commons with the greatest distinction, in a most polished manner and with remarkable firmness.

It is difficult to find all these qualities in members of either official linguistic group. However, we always do, which undoubtedly proves the value of our system.

It is therefore with great pleasure and pride that I move that Mr. James Jerome be Speaker of the House during this parliament.

Mr. Jerome is a member of the government party. According to tradition, the Prime Minister designates the candidate to the position of Speaker and his nomination is moved according to the traditional rules.

Mr. Jerome is particularly well-prepared for the office of Speaker. He has practised law and during the last few years, he has spent a great deal of time looking into delicate social problems in his constituency of Sudbury. Not only has he applied himself to serve his constituents better, but he has also tried to participate more fully in parliamentary life by striving systematically and successfully to learn the official language which was not his mother tongue.

He has acquired the sensitivity, the shrewdness that can be called the sense of Parliament. Indeed, since his election in 1968, he has followed very closely the proceedings of the House. For two years he was Parliamentary Assistant to the President of the Privy Council, the Government House Leader. All hon. members will no doubt agree with me that such an experience is in itself an excellent preparation for the responsibilities of the Chair.

But Mr. Jerome's contribution as Chairman of the Justice Committee was also most remarkable. In that capacity he demonstrated not only his legal expertise and political ability, but also his fair-mindedness in difficult situations, where no partisan pressure could make him alter the decisions he felt were well-founded.

[*English*]

The Speakership of the chamber is serious business. Naturally, the cornerstone is fair play. But it also requires toughness, equanimity, compassion and the ability to laugh, not just with others, but at oneself. Anyone who has enjoyed the companionship of Mr. Jerome in his years in parliament knows his ability to find a spark of laughter in even the most tense and difficult times.

Mr. Fraser, I frankly look upon this parliament as a challenge and as an opportunity. I have asked my colleague, the leader of the House, to explore realistically with his counterparts in other parties ways in which we can smooth out the procedures of the House of Commons to make them more meaningful both to the members and to the public. I sincerely hope we can work together toward an accommodation. I know there are divisions among us as to the route we should be following. I know that one of them concerns the concept of a permanent Speaker. My objections to the idea are common knowledge and have been for years, and they have been shared by some hon. gentlemen in the opposition. But in the process of studying possible reforms, the government does not have a closed mind on any of them, and these propositions can be discussed in specific ways in the appropriate parliamentary committee.

● (1100)

However, today my thoughts and intentions are directed toward an individual whom I strongly hope all members of the House will support, knowing as we do the strains and challenges that will accompany his acceptance.

Mr. Fraser, it is a privilege for me to move, seconded by the hon. President of the Privy Council (Mr. Sharp) that James Jerome, Esquire, member for the electoral district of Sudbury do take the Chair of this House as Speaker.

Some hon. Members: Hear, hear!

[Mr. Trudeau.]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Fraser, at this time I should like to say a few words to the House. The Prime Minister (Mr. Trudeau) invited me to second the motion he has just put before the House. I should like to say a few words in explanation of the fact I declined to second the motion. I fully agree with the Prime Minister and other members of the House about the importance of this great office. I have attached great importance to the achievement of what I call, perhaps imprecisely, a permanent Speaker, a Speaker who continues in office regardless of changes of government, a Speaker who is completely free of partisan politics once he is elected to this House by the House.

[*Translation*]

For this reason, I asked my party's association in the constituency of Stormont-Dundas not to present any candidate against Mr. Lamoureux at the 1968 election. Following his election, I was honoured and pleased to second his appointment.

The agreement concluded with the Stormont-Dundas association was designed to find other means to succeed in appointing a permanent Speaker and it provided the association with the right to choose a candidate in a new election.

[*English*]

Between the election of 1968 and the election of 1972, the Prime Minister and I had discussions to explore an alternative method of achieving what I had in mind, and what others had in mind, which was a method alternative to that by which the associations in the Speaker's constituency would be denied the right to nominate a candidate. These discussions were not fruitful, much to my regret. Mr. Lamoureux ran in the election of 1972. He was opposed by a candidate from my party. Mr. Lamoureux ran as an independent and was elected. Following the election of 1972, the Prime Minister discussed with me a choice of Speaker and indeed a Deputy Speaker. There was no difficulty and we reached an understanding and agreement. I felt this was a substantial step forward, and compensated in part at least for the earlier failure to agree on a method of securing a permanent Speakership and a method of completely removing the Speaker from partisan politics on his election.

Following the election of July and prior to the calling of this session I read in the press that the Prime Minister would propose Mr. Jerome's name as Speaker; but there was no consultation, no prior knowledge, despite any suggestions in the press to the contrary. There is no need here to go into the details or to take you, Mr. Fraser, or the House through a controversy between the Prime Minister and myself following the announcement of the Prime Minister's intention. There was no consultation. In my judgment, in the absence of such consultation, this was a substantial step backward from the position we had achieved through 1968 and 1972.

Mr. Fraser, I can hardly exaggerate my personal disappointment at this turn of events. In these circumstances, as I told the Prime Minister, I could not second the nomination of Mr. Jerome. Mr. Jerome, of course, will receive the full co-operation of myself and members of my party as he discharges his difficult and very important responsibilities of presiding over this House. I hope, as the

Prime Minister has indicated here this morning, that we can again take up the question of achieving a permanent Speakership totally removed from partisan politics once a Speaker has been chosen for this high office by this House.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Fraser, at the outset I am tempted to make quite clear that we were not consulted in this process either. In the past 18 months or so, we had grown accustomed to being consulted on a number of matters.

Some hon. Members: Hear, hear!

Mr. Broadbent: Perhaps this is a sign of the times. On a more serious note, on behalf of the New Democratic Party, I should like to indicate our support for the nomination of the hon. member for Sudbury (Mr. Jerome). In assuming this high office he is, of course, following an exceptional man, Mr. Lamoureux, who combined to a great degree the exceptional qualities of wit, intelligence and impartiality. It is our hope that in assuming his duties the hon. member for Sudbury will maintain those high standards established by Mr. Lamoureux. We wish him well.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Fraser, I am very glad to see that I am recognized by most members as the leader of the Social Credit Party.

The right hon. Prime Minister's (Mr. Trudeau) proposition is agreeable to us since the hon. member for Sudbury (Mr. Jerome) is a conscientious man. Indeed he hails from northeastern Ontario, a region neighbouring mine, northwestern Quebec. Although we have not travelled much together, I know the hon. member for Sudbury well enough to believe in his impartiality, the prime quality of a Speaker.

We have been spoiled for the past 12 years by Mr. Lucien Lamoureux, an excellent Speaker. I would hope that the hon. member for Sudbury will follow in his steps, that he will be impartial and will acknowledge the existence or the presence of each member of this House. As was said by the Leader of the Official Opposition (Mr. Stanfield) a moment ago, I regret that the Prime Minister chose not to consult the representatives of the other political parties in this House on the nomination of the Speaker, as it is the custom to consult the Leader of the Official Opposition.

We nonetheless recognize the merit of the nomination proposed by the Prime Minister. We wish the hon. member for Sudbury a long and successful stay in the Chair and few annoyances from the members and the parties. We have no intention of being troublesome, unless it is necessary, yet we will not carry things too far.

We are happy with this nomination and, as I have said, we wish the new Speaker many satisfactions in his new role.

● (1110)

[*English*]

The Clerk of the House declared the motion carried in the affirmative, *nemine contradicente*, and James Jerome, Esquire, member for the electoral district of Sudbury, duly elected to the Chair of the House.

Mr. Jerome was conducted from his seat in the House to the Speaker's chair by Right Hon. P. E. Trudeau and Hon. Mitchell Sharp.

Mr. Speaker: Hon. members, I beg to return my humble acknowledgements to the House for the great honour you have been pleased to confer on me by choosing me to be your Speaker.

If those words sound familiar, it is because they have been said here by Speakers for the last 100 years or so, and for many hundreds of years in other parliaments. Perhaps it is an appropriate way for every Speaker to begin, because if you start to tinker and tamper with the traditional way of doing things, the lesson you learn is that no matter how you try to modify or improve tradition it has a certain value which perhaps you did not fully appreciate when you first looked at such a simple sentence. When you try to put it in your own words it does not come out as well, no matter how you try to change it; so perhaps there is a lesson that some of the traditions are more than just traditions but have other values attached to them. Perhaps that is a proper subject for a new Speaker to think about as he begins his task.

There is honour, of course, in being a member of the House of Commons. It is an honour that we all share, a very special honour conferred upon us by those who are the final judges in our democratic system. It is a great honour to be a member of the House of Commons, but to receive a favourable judgment from the members themselves is an even greater honour which perhaps only the members of the House of Commons can fully understand. Sometimes the work we do here appears to be a battle for individual advantage or party advantage. But all of us realize that what is done here is extremely important work on behalf of all the people of Canada, not only for their individual rights but, in addition to that, is an example to all the people of Canada that change must be brought about through the process of law and order in a proper, democratic way. So, every meeting we hold here should be an example to our people.

To be given the honour to preside over these important meetings, and obviously the session cannot begin unless somebody takes on the role of Speaker, is an honour greater than any that has been conferred upon me at any time, and greater than anything my imagination could have conceived might happen to me in the future.

With the honour, of course, goes an obligation to do the job to the best of my ability, and, it goes without saying, to give it my best efforts at all times. At this moment I want to assure hon. members on both sides of the House, lest there be any doubt about it, that I place the fulfillment of this obligation ahead of every other consideration. Whether it be a question of party politics, personal considerations, friendships or otherwise, this obligation must at all times come first. I will fulfil the role as best I can. I will not always make everybody happy. However, if I can carry out this role to the best of my ability without losing the respect and the good will that you have extended to me at the start, because there could be no beginning without

that, then I will finish the role a happier man than I began it.

[*Translation*]

I would like to thank all the hon. members, and particularly the right hon. Prime Minister (Mr. Trudeau), the hon. Leader of the Opposition (Mr. Stanfield), the hon. member for Oshawa-Whitby (Mr. Broadbent) and the hon. member for Témiscamingue (Mr. Caouette). Upon undertaking as important a task as this, it is absolutely essential that one have the support and the good will of all the hon. members, and if I manage to perform or endeavour to perform my task without losing the respect of my colleagues, not only shall I be happy, I shall also be proud.

[*English*]

I again thank all hon. members for their very kind remarks, and for the great honour that they have conferred upon me in choosing me to be their Speaker.

Some hon. Members: Hear, hear!

SITTING SUSPENDED

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I suggest that this sitting be suspended until three o'clock this afternoon.

Mr. Speaker: The House has heard the suggestion of the right hon. member. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: This House stands suspended until three o'clock this afternoon.

At 11.20 a.m. the sitting was suspended until 3 p.m. this day.

SITTING RESUMED

The House resumed at three o'clock.

* * *

OPENING OF THE SESSION

Mr. Speaker read a communication from the Governor General's secretary announcing that His Excellency the Administrator of the Government of Canada would proceed to the Senate chamber at three o'clock on this day for the purpose of formally opening the session of the dominion parliament.

A message was delivered by Major A. G. Vandelac, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, it is the pleasure of His Excellency the Administrator of the Government of Canada that this honourable House attend him immediately in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber. Then the Hon. James Jerome, Speaker of the House of Commons, said:

[Mr. Speaker.]

● (1600)

May it please Your Excellency,

The House of Commons have elected me their Speaker, though I am but little able to fulfil the important duties thus assigned to me.

If in the performance of those duties I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to Your Excellency's person at all seasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.

The Honourable the Speaker of the Senate, addressing the Honourable the Speaker of the House of Commons, then said:

Mr. Speaker, I am commanded by His Excellency the Administrator of the Government of Canada to declare to you that he freely confides in the duty and attachment of the House of Commons to Her Majesty's person and government, and not doubting that their proceedings will be conducted with wisdom, temper and prudence, he grants and upon all occasions will recognize and allow their constitutional privileges.

I am commanded also to assure you that the Commons shall have ready access to His Excellency upon all seasonable occasions, and that their proceedings, as well as your words and actions, will constantly receive from him the most favourable construction.

Then His Excellency the Administrator of the Government of Canada was pleased to open parliament by a speech from the throne.

And the House being returned to the Commons chamber:

[*Translation*]

Mr. Speaker: I have the honour to report that, the House having attended on His Excellency the Administrator in the Senate Chamber, I informed His Excellency that the choice of Speaker had fallen upon me and, in your names, and on your behalf, I made the usual claim for your privileges, which His Excellency was pleased to confirm to you.

* * *

OATHS OF OFFICE

Right Hon. P. E. Trudeau (Prime Minister) moved for leave to introduce Bill No. C-1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

[*English*]

SPEECH FROM THE THRONE

Mr. Speaker: I have the honour to inform the House that when the House did attend His Excellency the Administrator of the Government of Canada this day in the Senate chamber, His Excellency was pleased to make a speech to both Houses of Parliament. To prevent mistakes, I have obtained a copy which is as follows:

Honourable Members of the Senate:

Members of the House of Commons:

I have the honour to welcome you to the First Session of the 30th Parliament of Canada.

I am here today in my capacity as Administrator of the Government of Canada, duties which I assumed following the illness suffered by

the Governor General last June. Canadians were saddened to hear of His Excellency's stroke, but have been encouraged by reports of his steady progress. I am happy to say that his recovery is such that providing all continues to go well he will be able to resume his role before too long. I am sure I reflect the feelings of all Canadians in expressing gratitude that he will be able to give further service to his country in the high office which he holds.

This year marks an event of particular interest and importance to all Canadians—the celebration of the twenty-fifth anniversary of the entry of Newfoundland into Confederation. We anticipate with great pleasure the visit of His Royal Highness, the Duke of Edinburgh, who will shortly join us to share in this happy occasion. In November the citizens of Ontario will welcome Her Royal Highness Princess Anne and her husband who will attend the opening of the Royal Agricultural Winter Fair and other civic engagements.

The international economic situation is serious, with a high rate of inflation, balance of payments problems, lower growth rates and the rapid accumulation of large currency reserves by a few countries. Canada is engaging in bilateral and multilateral discussions as part of a concerted effort to ensure that the current fragile state of the world's economy is strengthened. Those developing countries lacking the natural resources which have enabled others to benefit from high commodity prices have been particularly hard hit by this situation. Canada is contributing to international measures to reduce the unjust and potentially dangerous gap between the rich and the poor. This will involve us not only in increasing the flow of financial assistance to developing countries but in re-examining other policies which affect our economic relations with the Third World.

Canada has contributed to many international peacekeeping operations. A source of special concern at present is the instability in Cyprus and in the Middle East where 2,000 members of Canada's Armed Forces are performing dedicated service with the two peacekeeping forces which the United Nations has established there. While these forces have had some success in keeping the belligerents apart, the necessary policital solutions appear distant and, unhappily, civilian casualties, as well as casualties among members of the peacekeeping forces, continue.

In the context of the United Nations, Canada will also take:

—initiatives to provide for adequate safeguards so that spreading nuclear technology and materials are not perverted for military purposes;

—initiatives to increase world food aid so that the disastrous shortages some countries are experiencing may be alleviated.

[*Translation*]

For Canada as well as for most of the world the most serious problem is inflation; it is necessary both to deal with its causes and to mitigate its effects. This world-wide problem had its origins in the largest increases in food, energy and other commodity prices in a generation, occurring at the same time as an upsurge in economic activity in all major industrialized nations. The policy of the Government on inflation has been to pursue appropriate fiscal and monetary policies, and:

—to increase the supply of goods and services;

—to protect those least able to protect themselves; as well as

—to soften the impact of soaring oil prices on Canadian consumers and to cushion the economy against disruptive increases in other commodities.

It was generally expected, inside Canada and outside, that the tide of inflation would recede as conditions in the international food and commodity markets returned to normal, but a new situation has been created. The major oil exporting countries have re-affirmed their determination to keep the prices of their oil to importing countries, including Canada, at a high level. New adversities have fallen upon crops in Canada, the United States and elsewhere with possible adverse effects for food prices. Industrial commodities have not generally fallen in price as much as some expected in a world of static or falling industrial production. International interest rates have been pushed up to record levels and financial markets have been seriously disturbed.

Industrial unrest has become more prevalent in the world as a result of inflation. Agreements reached through collective bargaining are being abrogated as workers feel they have inadequate compensation to deal with inflation. In some countries there is a threat to the cohesion of the very fabric of society.

As various groups in society try to protect themselves against rising prices by seeking higher incomes, a stronger element of cost derived inflation is created. It is clear that some groups are much better equipped to protect themselves than others. Corporations, trade and professional associations, labour unions and governments are in most cases all able to adjust to inflation, but there are many Canadians on fixed incomes and others lacking economic power whose incomes are not rising as rapidly as the rate of inflation and for whom the consequences of inflation are a cause for concern.

Canada has thus far suffered less from inflation than most other countries, but the problem is serious and urgent. For its part, the Government will exercise restraint in its own expenditures with particular emphasis on improving effectiveness and efficiency in its existing operations while controlling expansion of new activities which, although desirable, would contribute to inflationary pressures. The Federal Government will urge that provincial and municipal governments take similar steps.

The total expenditures of the Federal Government in the 1975-76 fiscal year are expected to incorporate the costs of certain major new measures, including payments to equalize prices of petroleum products in Canada. Insofar as further new initiatives are concerned, the Government will be conscious of the need for restraint and careful phasing in relation to the state of the economy. Federal expenditures on goods and services, as opposed to various transfer payments, have remained relatively constant as a proportion of Gross National Product for some years, and their proportion was lower in 1973 than it was in 1961.

The Government does not intend deliberately to generate slack in the economy in order to combat inflation. Higher production, not lower, is essential to slowing down price advances. The Government does intend to ask all Canadians to join with it in a co-operative effort to achieve by non-inflationary means an equitable sharing among all groups in the community of the fruits of our productive efforts.

[*English*]

In order to increase the supply of goods and services, which is the first objective of the Government in dealing with inflation, a number of measures will be proposed:

—To increase food production—

—incentives to farmers and fishermen including the stabilization of incomes and markets,

—continued international action to ensure that Canada has the right to manage its coastal resources and environment, including the conservation of fish stocks;

—To increase construction of homes—

—financial assistance in order to reduce the cost of serviced land and to encourage land assembly;

—To increase economic productivity—

—greater financial and other support for small business,

—continued reorientation of manpower activities so that Canadians are trained and available in the right locations to fill the increased number of job opportunities,

—amendments to the Unemployment Insurance Act,

—extension of the Regional Development Incentives Act;

—To increase the supply of energy—

—the establishment of Petro-Canada, the national petroleum corporation,

—guarantees for domestic control of uranium and for adequate future supplies related to Canadian needs,

—steps to ensure that the price of Canadian oil and gas is regulated in a manner which will encourage necessary exploration and development in Canada;

—To ensure continued export of Canadian grain—

—legislation to ensure the resumed movement of Western grain, if the current dispute has not already been resolved,

—steps to facilitate grain handling this winter.

In order to help protect those particularly hard hit by inflation, which is another objective in the battle against inflation, the following

measures will be taken or proposed:

—To monitor food prices—

—renew the mandate of the Food Prices Review Board until the end of 1975 so that it may continue to report regularly on trends in food prices and analyze the reasons for price changes in specific areas;

—To help home buyers—

—additional assistance to buyers of moderately priced housing who have not owned a home before,

—ask financial institutions to continue to direct all low down payment high ratio mortgages exclusively to moderately priced housing,

—a Registered Home Owners Savings Plan,

—a system of warranties which will protect new buyers of National Housing Act financed homes,

—better disclosure provisions for the true interest rates on mortgages;

—To protect the consumer—

—first stage amendment of the Combines Investigation Act, including measures dealing with unfair or uncompetitive business practices such as misleading advertising and pyramid, referral or bait-and-switch selling,

—a comprehensive overhaul of consumer credit legislation, including disclosure by all lending institutions of effective rates of interest on all loans,

—a total revision of our bankruptcy law, including special procedures to help the consumer debtor,

—improved safety of consumer electrical products,

—establishment of more consumer storefront offices;

—To assist those having difficulty finding employment, and in cooperation with the provinces—

—a community employment strategy for people who experience chronic and particular difficulty in finding and keeping regular employment,

—special efforts on behalf of individuals and specific groups who are ready and willing to work but tend to experience particular difficulty in finding regular employment;

—To help older citizens, the needy and war veterans—

—provide for regular increases in the Year's Maximum Pensionable Earnings in 1976 and subsequent years, revise the Year's Basic Exemption, and eliminate the earnings test on retirement pensions for people aged 65 to 70,

—provide for the payment of allowances to the spouses aged 60 to 65 of Old Age Security recipients effective October 1975 and eliminate certain hardships involving Canadians absent from Canada for limited periods of time,

—achieve equity as between provinces in the application of the Canada Assistance Plan in respect of the treatment of youthful offenders in other than welfare institutions, and in respect of the care given needy persons in nursing-homes in provinces that have introduced universal nursing-home care programs, and

—further increases in war veterans allowances.

[*Translation*]

The third objective of the Government's policy to combat inflation is to take such specific initiatives in the economy as are required in order to deal with unjustified increases in incomes, prices and profits.

The Government will introduce legislation to deal with unjustified price increases where such increases are identified. This legislation will be designed to ensure that unacceptable profit levels are not being realized.

You will be asked to approve the imposition of an export charge on crude oil and certain other petroleum products to provide compensation for Canadians who consume imported oil and to regulate the price of Canadian hydrocarbons in interprovincial trade, so that all Canadians pay the same basic price, plus appropriate transportation charges, no matter where they may live.

There must be a greater awareness of the need for restraint by everyone in what each seeks to secure in incomes, profits, prices or taxes if inflation is to be mitigated. Demands to secure more than the economy can provide, or indeed for those who already have a respectable return to seek to benefit relatively from inflation, must be resisted, and the Government believes it has a clear responsibility in this area. Just as no one group in society should benefit at the expense of others from inflation, so should no one group shoulder an unfair burden.

The Government has therefore initiated a series of consultations with the principal groups in our society—business, professions, farmers, labour and provincial governments. They will be asked what proposals they can suggest and what contribution they are willing to make to defeat inflation. They will be asked how productivity can be increased. They will be asked if improvements can be made to the basically adversarial nature of the collective bargaining system, leading toward a joint search for solutions to mutual problems. Representatives of the private pension industry will be asked to explore jointly with Government ways of protecting pensioners against inflation. The Government will ensure that these consultations deal with the problems of those lacking organized power in the economy and retired people, for in many cases they are the ones most adversely affected by inflation.

The Federal Government believes that it has the responsibility of playing the leading role in bringing Canadians together to discuss their common problems and challenges and to develop proposals for their solution. The Government intends to fulfill this leadership role with vigour and determination. These meetings will form part of a major effort by the Federal Government to enter into a dialogue with all segments of the Canadian community.

In the inter-related society and economy of today, a clear distribution of responsibilities among the different levels of government in a federal state cannot in practical application have the neat precision that it has in political theory. Few actions can be taken by one level of government without affecting, or taking into account, the policies and programs of another. In many areas of government activity, effective implementation of a government's policy depends upon the cooperation of other levels of government. Consequently the Government will:

—propose a number of conferences with the provinces during the coming year, including one at the First Ministers level early in 1975; and

—take new measures within the federal administrative structure to improve the coordination of federal policies and programs that are of interest to the provinces and to make consultation with them even more effective.

[*English*]

A key factor in increasing supply is transportation. More generally, transportation is vital to Canada providing for the flow of people and goods that link and bind our regions. It is at the heart of our ability to function as a domestic economy, and as a trading nation. Transportation must be an instrument of national purpose, designed to achieve broad social and economic objectives. While the scale of Canada is one of its greatest assets, equally, it poses challenges of distance and communication virtually unique in the world. These problems are particularly real for the provinces and regions away from central industrial Canada. The Government does not believe the principles underlying the present transportation system or its methods of management and operation are adequate to meet current and future national aspirations.

The Government believes transportation rates should continue to be based on the principle of competition among alternative modes of transportation in areas where there is effective competition. Where such competition does not meaningfully exist, transportation rates cannot be allowed to exact what the market will bear. Consideration of costs, as reflected in the provision of comparable services in circumstances where competition is effective, is a more acceptable guide, and it is toward the achievement of equitable arrangements on such a basis that the Government will work. Even as so qualified, the principle of effective competition may have to be subject to exceptions to permit the achievement of national policies relating to the reduction of regional economic disparities and the encouragement of a more balanced distribution of industry.

The Government is conducting a comprehensive examination of the ability of existing ground, air and marine transportation systems to meet present and growing future demands for passenger and goods services. Also under review are the roles of the various bodies which manage, operate and regulate the transportation system. The aim is to

determine the role of government in both the public and private sectors of transportation, the most rational use of available capital resources, and the most appropriate means of balancing existing regulation and direct government intervention. While the cooperation of all parties will be sought, these problems are of a scale that they require Federal Government coordination. This work will lead to the implementation over the next several years, at a rate matched to the Government's overall financial ability, of a program of changes designed to produce a modern, safe, efficient and coordinated transportation system.

There are a number of new initiatives that the Government is prepared to undertake immediately designed to improve transportation services in Canada which will not in any way prejudice the review of basic policy to come:

—a program in cooperation with the railways which will lead to the eventual creation of new Government machinery to ensure the effective management of all ground transport;

—immediate implementation of experimental programs designed to upgrade progressively a number of intercity passenger train services;

—ensuring an adequate supply of rail cars for the future and to resolve rail access problems to all major ports and distribution centres;

—improved transportation to and from remote areas, including further assistance to airports in small municipalities, and a new program to fund airports located in developing areas of the country;

—legislation to provide for the most efficient port system for Canada compatible with local, regional and national interests;

—steps leading to the creation of Canadian-owned ice-breaking cargo vessels for use in the North;

—establishment of an Independent Accident Investigation Board;

—new laws concerning shipping and the coasting trade in Canada;

—ensuring rail costing data will be made available to provincial governments pending consideration of a more comprehensive transportation information act;

—additional steps to strengthen the effectiveness of urban transportation systems and improvement of commuter services compatible with regional and provincial plans for urban development.

[*Translation*]

The Government believes further steps must be taken to enhance Canada's independence and sense of identity. To this end measures will be proposed to:

—revise the law governing corporations including the introduction of a provision whereby a majority of directors of federally incorporated companies must be Canadian;

—provide for Government intervention in cases where a Canadian company may be prevented from fulfilling export orders by its foreign ownership;

—enhance Canadian processing of the country's natural resources which are exported, involving consultations with the provinces and negotiations with other countries;

—ensure Canadian technological innovation is encouraged and available for the benefit of Canadian industry;

—ensure ownership of fishing vessel licenses is retained by Canadians;

—produce a new Citizenship Act;

—confirm O Canada! as our national anthem;

—restructure federally supported granting councils which provide money for university research in the humanities and social sciences as well as the natural sciences;

—establish an integrated regulatory body for telecommunications;

—establish a Joint Committee of the House and Senate to consider questions relating to the future of the National Capital Region;

—preserve the national heritage by providing incentives for the purchase by Canadian institutions of works of art which might otherwise be exported; and

—bring assistance to Canadian cultural enterprises by extending the provisions of the Foreign Investment Review Act; by promoting the sale of Canadian books and magazines; and by opening discussions with provincial governments about ways to increase the exposure of Canadian films in commercial theatres in Canada.

[*English*]

The health of Canadians will be a priority for the Government, with emphasis being placed on the prevention of illness, which includes raising the level of physical fitness of Canadians. A series of major athletic events including the Canada Winter Games in 1975, the Olympic Games in 1976, the Canada Summer Games in 1977 and the Commonwealth Games in 1978, should stimulate all Canadians, and particularly youth, to higher levels of participation and achievement in this area.

The federal-provincial Social Security Review is continuing on an urgent basis. Studies on alternative approaches to the reform of the income security system are expected to be sufficiently advanced to enable federal and provincial ministers to agree upon a preferred approach at an early date. Similarly it is anticipated that proposals for the reform of social services will have been agreed upon shortly.

Stemming the despoilation of our planet and returning our water, air, and land to a more natural state are urgent and challenging goals. Legislative measures toward these goals will include:

—greater protection from contaminating substances in the interests of human health and ecological stability; and

—curtailment of ocean dumping through international agreement.

The Government is also determined to continue its program of extending equality before the law to all Canadians. To this end wide-ranging legislation will be introduced to guarantee the equal status of women in areas within the Federal Government's jurisdiction. In this respect the Government is planning a substantial program of activities to mark International Women's Year in 1975.

Other measures related to equality before the law include:

—human rights legislation;

—substantial amendments to the Criminal Code;

—legislation to provide for royalty rates for oil and gas on Indian reserves comparable to those charged by oil-producing provinces;

—amendments so that the Supreme Court can deal more expeditiously with cases which come before it and to remove the right of appeal based solely on financial considerations.

There has been a rapid expansion in the numbers of people seeking to come to Canada as immigrants, as students, and as temporary workers. A Green Paper will be published shortly which will form the basis for public and federal-provincial discussion.

The volume of public business before Parliament increases with each passing year and this Session will not be an exception. The view is widely shared within and without Parliament that the rules and procedures of the House of Commons should be adapted to enable Members on all sides—supporting and opposing the Government—to discharge their growing responsibilities more effectively. The Government will seek, as a matter of urgency, support on a non-partisan basis for the necessary reforms of Parliamentary rules and for measures to be laid before you dealing with:

—redistribution of seats in the House of Commons;

—broadcasting the proceedings of the House; and

—possible conflicts of interest of Members of the House of Commons and the Senate.

Amendments will be proposed to the Public Service Staff Relations Act.

You will be asked to consider other legislative proposals.

Members of the House of Commons,

The Government intends to present a budget early in this Session.

You will be asked to appropriate the funds required to carry on the services and expenditures authorized by Parliament.

Honourable Members of the Senate,

Members of the House of Commons,

May Divine Providence guide you in your deliberations.

The Late M. J. Coldwell

● (1610)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I ask leave of the House to table a list of the titles of some of the measures which the government proposes to place before parliament during this session, and if I could have the permission of the House I would ask that this list be appended to the proceedings.

[*Editor's note: For list of legislation referred to, see Appendix A*]

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister) moved:

That the speech of His Excellency the Administrator delivered this day from the throne to the two houses of parliament, be taken into consideration at the next sitting of the House.

[*English*]

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

THE LATE M. J. COLDWELL

TRIBUTES TO FORMER MEMBER

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, during the past summer Canada lost one of its most respected citizens, a man whose name is indelibly etched in the pages of our history. I pay tribute today to the late M. J. Coldwell who represented Rosetown-Biggar in this House for 23 years.

Although Mr. Coldwell represented a Saskatchewan riding, his constituency, as we are all well aware, was far greater. He served all Canadians, and not only Canadians of his time but those of generations to come. The social security system we have in Canada today, which among the best in the world, was created by those who saw injustice and could not rest until they saw it corrected. M. J. Coldwell was one of those.

[*Translation*]

At age 21, he emigrated from England and settled in Western Canada, where he taught for 24 years in Alberta and Saskatchewan. While a teacher he took up politics, with a concern for the well-being of have-nots. Farmers and their employees were the first to benefit from his efforts, but by helping them he also helped fishermen, miners and workers across the country.

As leader of the Farmer-Labour Party of Saskatchewan, he helped establish the CCF Party, predecessor of the New Democratic Party. Later on, as parliamentary leader and head of the CCF Party, he became so to speak the social conscience of Canada.

[*English*]

His legacy to Canada came not because he held power—he led a minority party in this House—but because he had power: the power of high ideals, strong principles, and total commitment. Mr. Coldwell once observed: "If you live by your principles and are true to them, you can't fail". That explains his success.

[Mr. Trudeau.]

As a politician, as a humanitarian, as a parliamentarian, as a man of courtesy and grace, Mr. Coldwell is greatly missed. He has left us with much to remember.

Some hon. Members: Hear, hear!

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I join the Prime Minister (Mr. Trudeau) in the tribute he has paid to the memory of one who was a true parliamentarian and whose life was epitomized by the quotation which the Prime Minister placed before this chamber, that he lived a life of principle. I knew him from the earliest days, when he was an alderman in the city of Regina, as a candidate for the legislature of Saskatchewan, and finally as a member of the House of Commons. Both of us attempted to enter the political field federally, unsuccessfully, in 1925. He came to parliament in 1935 and I came in 1940. Both of us were middle-aged when we came to this chamber.

I recall as if it were yesterday the untimely illness of James Woodsworth, the leader of the CCF, who indeed was a conscience in his own day and generation. When he became unable to carry out his duties following a speech, I think it was during the Address in Reply to the Speech from the Throne, the hon. member for Rosetown-Biggar became the House leader and acting leader of the CCF. He was a parliamentarian who understood parliament. He had wide knowledge of the history of our institutions, the meaning of our traditions. He was meticulous in preparation for debates.

I saw him but once when he became greatly disturbed at what he considered action dangerous to parliament. It was during the 1956 debate on the pipeline. There is nothing more sacred, as you know, Mr. Speaker, than the mace. It remains inviolate. Only once, as I recall my history, was it ever grabbed by any member of parliament. So disturbed was Mr. Coldwell that he rushed up and grasped the mace—a dramatic event that had only been equalled in 1641 or 1642 when Cromwell grabbed the mace at Westminster. I think of Mr. Coldwell as an individual, as a family man. For many years his wife was an invalid. He bore that burden of responsibility with admirable and indomitable courage.

● (1620)

This place has memories for those who have served in it. I recall when I came in here in 1940 seeing the front benches of the government of Mackenzie King. There were giants—

An hon. Member: Just like now.

Mr. Diefenbaker: —on the government benches.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, a belief that the tradition of 1940 has been continued is something that is furthest from my mind.

Mr. Coldwell had a sense of humour, too. I remember on one occasion how unusually happy he was at the location of two hon. members of the Social Credit Party whose names were Fair and Kuhl. He called them the weather prophets of the House of Commons. I can only say that if

he were here today as I am, looking across the floor and seeing the Minister of Justice (Mr. Lang) and the Minister of Agriculture (Mr. Whelan) sitting side by side, separated from the Minister of Consumer Affairs (Mr. Ouellet) by the Secretary of State (Mr. Faulkner), who is placed there for the purpose of keeping order in this honourable chamber, I am sure he would mention it. He would say that Damon and Pythias today have their counterparts in the House of Commons.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: That is the spirit of this institution. We may disagree, we may profoundly criticize those who sit in other parts of the House, but where there is sincerity and a devotion to idealism there is always respect shown to members no matter where they sit. We have no Watergate tradition in this country. Mr. Coldwell was a man who embodied the finest principles of parliamentary democracy in the British heritage.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, first of all I would like to thank the right hon. Prime Minister (Mr. Trudeau) and the right hon. member for Prince Albert (Mr. Diefenbaker) for the thoughtful words they have uttered in memory of the late M. J. Coldwell.

Mr. Coldwell was a leader of our party for 18 years and was a member of this House for 23 years. There are many things one could say about him. A number have already been said this afternoon. But what struck me as most important about Mr. Coldwell was the cause to which he devoted his life. Above everything else, even above his concern for the important question of civil liberties, was his concern for the poor in Canada and for the poor and underprivileged abroad. It was that kind of passionate commitment that led him finally to the acceptance of the principles of socialism. It was that kind of commitment that provided sustenance for himself and his family, and leadership for so many people in my party over so many years.

A second point to be made about him is that although he was tough in commitment to his ideals and firm in his convictions, he was also among the most considerate, polite and tactful of men. This is a rare combination to find in one person, a solid commitment and strong determination accompanied by a total willingness to be always civilized and considerate of one's opponents. That leads to my final observation on behalf of my party this afternoon, Mr. Speaker. It is with respect to Mr. Coldwell's fundamental commitment to this institution.

The right hon. gentleman from Prince Albert has already referred to the esteem that Mr. Coldwell had for this institution. I think that when the history is written for this century there will be few others, if indeed any, who could be singled out in terms of their contribution to the House of Commons while displaying as great a combination of concern and thoughtfulness for the well-being of men, understanding of their opponents and commitment to serious action. He was a truly exceptional Canadian.

Some hon. Members: Hear, hear!

● (1630)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, my colleagues and I wish to join with the right hon. Prime Minister (Mr. Trudeau), the right hon. member for Prince Albert (Mr. Diefenbaker) and the leader of the NDP (Mr. Broadbent) in expressing our most sincere sympathy to the Coldwell family.

I had the privilege of knowing Mr. Coldwell personally in 1946 when the seat he occupied was exactly the one where I am now, while I sat behind Solon Low.

Our party was larger then than the CCF Party. Mr. Speaker, I should like to point out to you something very important, namely that Mr. Coldwell was the leader of eight federal members and was recognized by everybody as a rightful party leader.

A while ago the right hon. member for Prince Albert mentioned Mr. Coldwell's great interest for his country, Canada, and it is true that notwithstanding our political convictions, we must all recognize that Mr. Coldwell was relentless in his efforts to promote Canadian unity and especially to help the underprivileged classes.

At that time, we Social Crediters, perfectly agreed with the CCF members about that goal. However, we did not agree about the methods to be used. They advocated socialism while we advocated private enterprise. It is still thus today. As far as the goal was concerned, I believe he sincerely aimed to reach it: to help the working classes, the neglected people, as the right hon. Prime Minister said a while ago. His efforts were sincere. In 1946, 1947 and 1948, the Prime Minister worked towards the same goal. That is why he said a while ago that he knew him very well. I know he knew him very well.

Mr. Speaker, Canada has certainly lost a great citizen, a man who showed devotion to his country, who commanded respect in the House of Commons. Everybody listened to him attentively, even the right hon. member for Prince Albert who occupied then the second seat behind the leader of the then official opposition, Mr. Bracken, I believe.

As a man, Mr. Coldwell was held in respect as much by the Liberals who were in power as by the opposition parties, which were all duly recognized without exception.

Mr. Speaker, on behalf of my colleagues and on my behalf, I wish to express my deepest sympathy to the Coldwell family. Again I say that Canada lost a great Canadian in Mr. M. J. Coldwell.

* * *

INTERNAL ECONOMY COMMISSION

Right Hon. P. E. Trudeau (Prime Minister) presented the following message from His Excellency the Administrator of the Government of Canada:

His Excellency the Administrator of the Government of Canada transmits to the House of Commons a certified copy of an Order in Council appointing the following members of the Queen's Privy Council for Canada to act with the Speaker of the House of Commons as

Commissioners of Internal Economy

Commissioners for the purposes and under the provisions of Chapter H-9 of the Revised Statutes of Canada, 1970, entituled, An Act respecting the House of Commons: The Hon. Mitchell Sharp, the Hon. Allan Joseph MacEachen, the Hon. Charles Mills Drury and the Hon. Jean Chrétien.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to raise a question of privilege at this juncture.

Mr. Speaker: Order, please. The hon. member for Edmonton West (Mr. Lambert) on a question of privilege.

Mr. Lambert: The question relates to the privileges of the House as they are affected by the implementation by the Prime Minister (Mr. Trudeau) of section 16(1) of the Senate and House of Commons Act. Because of today's timetable, however, and because there has been agreement, I shall defer my argument and exposé of the question of privilege to a date which has been mutually agreed. In effect, it means that the legislation does not require that the Commissioners of Internal Economy shall be members of the cabinet. They must be Privy Councillors. The interpretation of the legislation, as I am advised and persuaded, is that the commissioners should come from members of the Privy Council in the House generally, and not exclusively from within the cabinet.

* * *

[*Translation*]

STANDING COMMITTEES

Right Hon. P. E. Trudeau (Prime Minister) moved:

That, according to the provisions of Standing Order 65, a Striking Committee be appointed to prepare and report a list of members to compose the standing committees of this house and that such committee be composed of Messrs. Sharp, Lefebvre, Baldwin, McKinley, Knowles (Winnipeg North Centre) and Fortin; and that the provisions of Standing Order 65(1) not apply with regard to the number of members on such committee.

Motion agreed to.

HOUSE OF COMMONS

[*English*]

APPOINTMENT OF CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I move, seconded by the President of the Privy Council (Mr. Sharp):

That Gérald Laniel, Esq., member for the electoral district of Beauharnois-Salaberry, be appointed Chairman of Committees of the Whole House.

Motion agreed to.

[*English*]

Committees of the Whole

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I move, seconded by the President of the Privy Council (Mr. Sharp), that Keith Penner, Esq., member for the electoral district of Thunder Bay, be appointed Deputy Chairman of Committees of the Whole House.

Motion agreed to.

[*Translation*]

APPOINTMENT OF ASSISTANT DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I move, seconded by the President of the Privy Council (Mr. Sharp):

That Mrs. Albanie Morin, member for the electoral district of Louis-Hébert, be appointed Assistant Deputy Chairman of Committees of the Whole House.

Motion agreed to.

[*English*]

THRONE SPEECH DEBATE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I move, seconded by the President of the Privy Council (Mr. Sharp), that notwithstanding Standing Order 63, the House shall not be adjourned on Wednesday, October 2, 1974, until the leaders of all parties have spoken in the Address debate.

Motion agreed to.

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this concludes our business for today. Therefore, I move, seconded by the President of the Privy Council (Mr. Sharp):

That the House do now adjourn.

[*English*]

Mr. Speaker: This House will stand adjourned until tomorrow at 2 p.m., pursuant to Standing Order.

Motion agreed to and the House adjourned at 4.39 p.m.

APPENDIX "A"

September 30, 1974

List of some of the measures which the Government proposes to place before Parliament during the 1st Session of the 30th Parliament

Legislation on Advance Payments for Crops
Amendments to the Agricultural Stabilization Act
Amendments to the Agricultural Products Cooperative Marketing Act
Aircraft Registry Act
Amendments to the Animal Contagious Diseases Act
Legislation on Anti-profiteering
Amendments to the Bank Act
Amendments to the British North America Acts, 1867 to 1965
Canada Manpower and Immigration Council Act
The Canada Business Corporations Act
The Canadian Radio-Television and Telecommunications Commission Act
Amendments to the Canada Pension Plan
Amendments to the Canadian Wheat Board Act
Amendments to the Civil Service Insurance Act
Citizenship Act
Amendments to the Criminal Code
Amendments to the Combines Investigation Act
Legislation on Cultural Export and Import
Amendments to the Customs Act
Amendments to the Customs Tariff Act
Amendments to the Electoral Boundaries Readjustment Act and The British North America Acts, 1867 to 1965
The Environmental Contaminants Act
Amendments to the Excise Tax Act
Amendments to the Explosives Act
Amendments to the Export Development Act
The Indian Oil and Gas Act
Amendments to the Food and Drugs Act
Amendments to the Farm Credit Act
The Federal Business Development Bank Act
Legislation on Federal Government Scientific Activities
Amendments to the Feeds Act
Amendments to the Fisheries Act
Legislation on Fishermen's Income Support
Amendments to the Foreign Investment Review Act
Legislation on Grain Market Insurance (Prairie)
Legislation on Human Rights and Interest
Amendments to the Immigration Act
Amendments to the Interest Act
Amendments to the Judges Act
Lieutenant-Governors Superannuation Act
Maritime Code Act
Motor Vehicle Tire Safety Act
National Anthem Act
Amendments to the National Housing Act
Amendments to the National Transportation Act
Amendments to the Northern Canada Power Commission Act
Legislation on Ocean Dumping
Amendments to the Old Age Security Act
Petro Canada Act
Petroleum Administration Act
Amendments to the Prairie Grain Advance Payments Act
Repeal of the Prairie Farm Assistance Act
Repeal of the Proprietary and Patent Medicine Act
Amendments to the Public Service Staff Relations Act
Amendments to the Railway Act
An Act to revise references to the Court of Queen's Bench in the Province of Quebec
Amendments to the Regional Development Incentives Act
Amendments to the Salaries Act
Amendments to the Statistics Act
Statute Revision Act
Amendments to the Supreme Court Act
Omnibus Bill on the Status of Women
Amendments to the Territorial Lands Act
Amendments to the Trust and Loan Companies Act
Amendments to the Unemployment Insurance Act, 1971
Uranium Mining Control Legislation
Two-price Wheat Act
Amendments to the War Veteran's Allowance Act and the Civilian War Pensions Allowance Act

HOUSE OF COMMONS

Tuesday, October 1, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ORDER PAPER AND NOTICES

REQUEST FOR CORRECTION

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I rise on a point of order concerning certain notices given by the government yesterday. There are four bills for which there are recommendations which appear at pages 21 to 23 of the notice paper. The recommendations all read: "His Excellency the Governor General recommends . . . ". In fact, these recommendations are from His Excellency the Administrator, and I would ask that the necessary alterations be made in the text that appears on the notice paper.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

* * *

FOOD PRICES REVIEW BOARD

REQUEST FOR REFERENCE OF REPORT ON EGG MARKETING TO STANDING COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of widespread public indignation over the disclosure by the Canadian Egg Marketing Agency that 28 million eggs had to be destroyed and the need for complete public disclosure into this whole affair, I ask for unanimous consent under the provisions of Standing Order 43 to move the following motion, which perhaps will commend itself to the government, especially the Minister of Agriculture (Mr. Whelan). Seconded by the hon. member for Peace River (Mr. Baldwin) I move:

That the first and second reports on egg prices by the Food Prices Review Board be referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Hon. members have heard the motion moved pursuant to Standing Order 43, which requires the unanimous consent of hon. members. Is there unanimous consent to receive the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Without unanimous consent the motion cannot be presented.

* * *

FISHERIES

SUGGESTED UNILATERAL ACTION BY GOVERNMENT TO CONSERVE FISH STOCKS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I ask the unanimous consent of the House to propose a motion in a case of urgent and pressing necessity. The urgency of this matter is recognized in the Speech from the Throne, which declares that the first objective of the government in dealing with inflation will include measures to increase food production, and to this end will provide incentives to our fishermen and ensure that Canada has a right to manage its coastal resources and conserve our fish stocks. I therefore move, seconded by the hon. member for South Shore (Mr. Crouse):

That this House, noting the failure of the recent Law of the Sea Conference to recognize and confirm Canada's right to protect and preserve its fisheries resources against reckless over-fishing by foreign nations, urges the government to take immediate steps by unilateral action to conserve our fish stocks, and thereby enable our fishermen to increase production and to assist the government in its fight against inflation.

Mr. Speaker: Again hon. members have heard a motion proposed under the terms of Standing Order 43. Since the motion has been moved under the terms of Standing Order 43, it requires the unanimous consent of all hon. members. Is there unanimous consent to receive the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Without unanimous consent, the motion cannot be received.

* * *

● (1410)

INDIAN AFFAIRS

SUGGESTED REFERENCE OF ECONOMIC AND SOCIAL PROBLEMS OF NATIVE PEOPLES TO STANDING COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I seek the unanimous consent of the House under the provisions of Standing Order 43. This motion arises out of the demonstration that took place on Parliament Hill yesterday. I move, seconded by the hon. member for Brant (Mr. Blackburn):

Supply

That this House refers the economic and social problems of Canada's native peoples to the Standing Committee on Indian Affairs and Northern Development for immediate consideration.

Mr. Speaker: Hon. members have heard the motion which was presented under Standing Order 43 and, therefore, requires the unanimous consent of the House before it can be presented for debate. Is there unanimous consent to proceed with the motion at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent the motion cannot proceed at this time.

* * *

WAYS AND MEANS

TABLING OF MOTION CONCERNING TARIFF REDUCTIONS

Hon. C. M. Drury (Acting Minister of Finance): Mr. Speaker, at the conclusion of the last session the House had not completed consideration of the proposed tariff reductions provided for in Bill C-21. This bill was given first reading on April 8.

Pursuant to Standing Order 60(1), and on behalf of the Minister of Finance (Mr. Turner), I wish to table a notice of ways and means motion which reintroduces the tariff reductions provided for in Bill C-21.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

* * *

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY TO DEBATE WAYS AND MEANS MOTION

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 60, sub-section 2, I should like to request that an Order of the Day be designated for consideration of the notice of ways and means just tabled.

* * *

SUPPLY

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 58(1) I move:

That this House at its next sitting consider the business of supply.

Motion agreed to.

[Mr. Firth.]

ORAL QUESTION PERIOD

[*English*]

FOOD PRICES REVIEW BOARD

GOVERNMENT ACTION ON REPORT ON EGG MARKETING—POSITION OF GOVERNMENT ON SUPPORT OF BOARD

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. In view of the report of the Food Prices Review Board of August relating to egg marketing and egg pricing, and the finding of that board that the pricing of a substantial proportion of production was high both in relation to consumer demand and the production of eggs, has the government accepted this finding and other recommendations by that Food Prices Review Board in the August report?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Agriculture and I have discussed this matter several times in Cabinet, and we find that the best way of getting the facts before the House is to refer the matter to a standing committee of the House. We will be prepared to do that.

Mr. Stanfield: Mr. Speaker, I am sure it will please the House that the matter is to be referred to the committee. Now that he has referred to discussions with the Minister of Agriculture, I should like to ask the Prime Minister this question.

In view of the fact that the Speech from the Throne yesterday indicated that the mandate of the Food Prices Review Board would be renewed for a further year is it the intention of the government to support the board or to continue to have one minister supporting the board and another minister, the Minister of Agriculture, attacking the board just about as fiercely as he can?

Mr. Trudeau: Of course the government supports the board, Mr. Speaker. Otherwise it would not have renewed its mandate.

SUGGESTED INVESTIGATION UNDER PUBLIC INQUIRIES ACT—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary for the Prime Minister. I wish to ask the Prime Minister whether the government has given consideration to having this matter investigated under the terms of the Inquiries Act as opposed to having a parliamentary committee look into it?

Right Hon. P. E. Trudeau (Prime Minister): Yes, we considered the alternative method of ensuring that parliament would get to the basis of this whole situation. We considered that parliament probably would want to look into it and that is why we decided on the reference.

AGRICULTURE

EGGS—ALLEGED REFUSAL OF GOVERNMENT TO SELL TO AUSTRIA

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Prime Minister. Would the Prime Minister take the first opportunity on motions to explain to the House why his government was unwilling to sell 50 million of Canada's surplus eggs to Austria recently at a good price rather than allow 28 million of them to rot here in Canada.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we are quite accustomed to this type of allegation but I had forgotten about it over the summer. I hope the hon. gentleman will substantiate this particular story before the committee.

* * *

INDIAN AFFAIRS

GOVERNMENT POSITION ON MEASURES TO DEAL WITH HOUSING PROBLEM

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development arising out of yesterday's demonstration in front of the Parliament Buildings. In view of the deplorable housing conditions on many Indian reserves which prompted these people travelling to Ottawa in protest, what new measures does the minister propose to deal with this serious problem?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, this is a question which is very much on my mind and one which I have asked my department to research to provide me with information. However, one point I should like to make is that this will have to be a co-operative endeavour. There simply will not be sufficient funds in the department to supply all the funds required under the housing program. There will have to be a greater willingness on the part of the Indian people to assume a greater responsibility under CMHC and so on.

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AGRICULTURE

EGGS—ALLEGED DISRUPTION OF PRODUCTION—GOVERNMENT ACTION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my supplementary question is directed to the Minister of Agriculture. In view of the high price of eggs to the Canadian people can he assure the House that the wholesale disruption of egg production will cease forthwith.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have stated there would be a public inquiry. I want it made known that I do not run CEMA. It is run by a group composed of people from provincial marketing boards across this country. They are honestly trying to do a good job. I hope when the hearings are held the hon. member will suggest to the Board that he wants wholesale destruction of eggs. No producer in this land wants the wholesale destruction of any product. He is a creator of things, so does not want to see them destroyed by anybody.

Some hon. Members: Hear, hear!

EGGS—REQUEST FOR RELEASE OF REPORT OF FARM PRODUCTS MARKETING COUNCIL—DATE OF REFERENCE TO STANDING COMMITTEE

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the fact that the Prime Minister has agreed to have this matter of egg marketing referred to a standing committee of the House I should like to ask the Minister of Agriculture in the interest of assisting that committee if he will now release the report of the Farm Products Marketing Council on egg marketing which he had commissioned last March. Secondly, would he tell the House exactly when he proposes to refer this matter to the standing committee?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, so far as I am concerned an unfortunate incident caused this House to adjourn, and therefore I was not allowed to present that report to the House of Commons. It has been ready for several months and will be presented shortly. I have forgotten the other question the hon. member asked.

● (1420)

Mr. Speaker: Would the hon. member repeat his question?

Mr. McGrath: May I ask the minister when he proposes to ask the government House leader to move the appropriate reference so the matter will be placed before the committee as soon as possible? Can he also tell the House when he will table the report of the Farm Products Marketing Council which he has had in his hands since early last April?

Mr. Whelan: I told the hon. member when the report will be tabled. The report of the Farm Products Marketing Council will be tabled in the House as soon as possible, possibly tomorrow. I hope that the committee made up of members of the House of Commons can be established as soon as possible, as I said earlier, so that all the facts will be made known. I am not scared of it because the real, honest facts will be presented to this committee, I hope, and it will be up to members of that committee to see that they are presented and presented to the public also.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

DISPUTE BETWEEN CORPORATION AND ITS NEWSREPORTERS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the hon. Secretary of State.

There is unfortunately a dispute going on between the CBC newsmen and the Corporation, so that last night, for

example, we did not get any national nor provincial news owing to this dispute; does the Secretary of State intend to intervene so that the dispute could be settled to the satisfaction of both the newsmen and the Corporation?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): No, Mr. Speaker, my intention is not to intervene at this point in time. If at a point in time it appears that an intervention will be useful, I will certainly consider it.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary.

I am informed that the union asks the CBC officials for a meeting which they refuse; in those circumstances, is the Secretary of State not entitled to force the Corporation to meet its newsmen?

[*English*]

Mr. Faulkner: I will look into that particular allegation and decide what is best to do.

* * *

AGRICULTURE

EGG MARKETING AGENCY—REQUEST FOR ASSURANCE WITNESSES PROPOSED BY OPPOSITION WILL BE CALLED BY INVESTIGATING COMMITTEE

Mr. Edward Broadbent (Oshawa-Whitby): I have a question for the Prime Minister which is supplementary to previous questions that have been asked. The Prime Minister has rejected an inquiry into the egg marketing agency under the provisions of the Inquiries Act. One of the advantages of that procedure would have been to guarantee impartiality. Given the government's decision to have a House committee investigate the matter, a committee on which Liberal members form a majority, would the Prime Minister assure the House that members conducting this inquiry will have the full right to call witnesses proposed not only by Liberal members on the committee but by members of the opposition?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it was my honest understanding, and I may have been misinformed, that the leader of the NDP himself proposed an inquiry carried out by a House committee rather than a public inquiry. It seems to me that he is nodding in assent. I suppose that if we had proceeded by way of the Inquiries Act, the hon. member would now be asking why we did not proceed by way of a committee. We have tried to do exactly what he himself was suggesting—

An hon. Member: Answer the question.

Mr. Trudeau: —and it happens to coincide with what the government thought would be the best way to put the facts before the public.

The rest of the question appears rhetorical. The House leaders will discuss in the usual way what will go before the committee, when it will be set up, when it will be convened, what members will be on it, and so on.

[Mr. Caouette (Témiscamingue).]

Mr. Broadbent: I am pleased that the Prime Minister has decided to accept my advice. My question is whether he would assure the House that he will accept the procedure that we would follow if we were in the position in which he happens to be now, that is to make sure that his party's majority on the committee will provide true impartiality in the committee's proceedings by hearing witnesses proposed by members of the opposition parties.

Mr. Trudeau: Mr. Speaker, it will continue to be my policy to accept constructive suggestions from all corners of the opposition, but I think if they want the government to continue doing that they will have to live with the advice they give us. The electorate decided that there would be a majority on the government benches. If the hon. member is suspicious of proceedings in parliamentary committees, perhaps he should not ask for the referral of such subjects to parliamentary committees.

Mr. Broadbent: On a point of order, Mr. Speaker, the Prime Minister is suggesting that there is a suspicion of government motives. None was suggested. He was simply asked for an assurance. All he has to do is give us a clear assurance.

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BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, for the convenience of members with regard to the business of the House, and for the information of the new members who may not yet have been advised by the veterans about the benefits of being here on Fridays and Mondays, would the government House leader indicate if it is the intention of the government to proceed with the Throne Speech debate without any interruption or, as was indicated some time ago, does the government intend to interrupt that debate? If so, when and for what purpose?

Mr. Sharp: Mr. Speaker, it is the government's intention to proceed to debate the Address in Reply to the Speech from the Throne without interruption, but I would have to qualify that by saying that if the government does decide to bring in legislation to deal with the western grain handlers' strike, probably the debate would be interrupted for that purpose. However, since we have not made such a decision, I am not in a position to announce that now.

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LABOUR RELATIONS

GRAIN HANDLERS' STRIKE—POSSIBILITY OF SETTLEMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a related question to the Minister of Labour. Now that management has refused the latest offer with respect to the grain handlers' dispute, can the minister advise whether he is still optimistic regarding a settlement between the two parties?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the proposal made yesterday for consideration by the union and the grain companies set out the fact that there

were two remaining unresolved issues. One was interpretation of the COLA clause, and the other was union pensions.

The union has accepted this proposal, but I must say the hon. member is quite right since it would now appear that several of the companies have rejected it. But not all have done so as yet, and I would have to wait for a reply from them all before I could absolutely confirm, without doubt, the hon. member's interpretation. If that is the case and the proposal is rejected then, as the House leader has indicated, the government might consider introducing legislation.

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GRAIN

REQUEST FOR GOVERNMENT ACTION TO ASSURE MOVEMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to direct a question to the Prime Minister. As the grain handlers' strike has cost the producers millions of dollars in demurrage charges and we have now lost a large part of our grain markets, will the government assure the House and the country that upon settlement of this strike, either by agreement or by legislation, the government will take reasonable remedies to avoid a railway strike or any other strike that would impede and stop the movement of grain, something which is not only of importance to western Canada but to the whole economy of the country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government certainly would be prepared to take reasonable remedies. It would be interesting for us to hear what the hon. member has in mind. Perhaps he might want to give us his views.

An hon. Member: You are in the hot seat now.

Mr. Woolliams: Mr. Speaker, I did not think I would have to rise so soon on a point of privilege, but with that wishy-washy answer of the Prime Minister's I can readily foresee his answer when the grain does not move to the ports this winter. He will blame it on the snow, just as he did last year.

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EXTERNAL AFFAIRS

ALLEGED ACTION BY UNITED STATES BORDER PATROL AGAINST CANADIAN CITIZEN—REQUEST FOR INVESTIGATION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. While doing so may I congratulate him on his appointment.

Some hon. Members: Hear, hear!

Mr. Benjamin: In view of the fact that according to my information a Saskatchewan resident, a Canadian citizen, after landing his aircraft on a Canadian airstrip south of Estevan, Saskatchewan, adjacent to the Canada-U.S. border, was accosted by the U.S. border patrol, escorted across the U.S. border, threatened with confiscation of his aircraft, and had to leave a $25 deposit on an alleged $1,000 fine, may I ask the minister if he is making inquiries into this matter, and whether or not he can advise the House what he has found out for us?

● (1430)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, may I begin by thanking the hon. member for his good wishes and also for sending me notice of his question. I have not got the information at hand but I have asked that the matter be investigated and that information be sought from the United States authorities. Just as soon as that has been done I shall be happy to provide it to my good friend.

POSSIBLE AGREEMENT PERMITING UNITED STATES BORDER PATROL TO EXERCISE AUTHORITY IN CANADA

Mr. Les Benjamin (Regina-Lake Centre): A supplementary question, Mr. Speaker. I take it from the minister's answer that he has requested the United States authorities to make inquiries there. May I ask whether he is aware or can find out from the Minister of Transport if there was any arrangement, agreement, understanding, regulation or law pertaining to air strips adjacent to the Canada-U.S. border which would permit U.S. border officials to exercise their authority on Canadian soil?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): We both shake our heads, Mr. Speaker.

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BILINGUALISM

CONSTITUTIONALITY OF BILL 22 PASSED BY QUEBEC—POSSIBILITY OF DISALLOWANCE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Justice and concerns Bill 22 passed by the legislature of the province of Quebec which is now admitted across the country to be a knockout blow to national unity and to be unconstitutional. Can the minister say whether the law officers of the Crown have looked into this question and if so, what view they have expressed. In the alternative, what is the minister's view, having examined what the law officers say, concerning the constitutionality of the bill?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the law officers and I have looked at the bill for the purpose, as is usual, of supplying advice on the subject to the government of Canada.

Mr. Diefenbaker: Mr. Speaker, that answer, of course, is in keeping with the minister's general evasions. May I ask him this supplementary question? Has the government given consideration to disallowing this legislation because of its nature and the danger it represents to the unity of Canada?

Mr. Lang: Mr. Speaker, the government has certainly taken no decision in connection with the bill or questions arising out of it. If it does so, of course, it will let that decision be known to the House in the usual way.

Mr. Speaker: The hon. member for South Shore.

Mr. Diefenbaker: Does the minister say that this legislation, so disruptive of Canada, has not been considered by the cabinet yet or by him? What kind of nonsense is this?

Mr. Speaker: Order, please. The hon. member for South Shore.

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EXTERNAL AFFAIRS

REQUEST FOR COMPENSATION FROM RUSSIA FOR DESTRUCTION OF LOBSTER TRAPS—GOVERNMENT ACTION TO PREVENT RECURRENCE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the hon. Secretary of State for External Affairs, but first I should like to congratulate him on his appointment to his new post.

My question comes close to home. In view of the destruction caused by the Russian fishing fleet on July 11, 1974 to the deep sea lobster traps which are valued by their owner, McLeod Fisheries Limited, in excess of $170,000, what steps have been taken by the Canadian government to secure compensation from the Russians for these and other staggering losses? Also, what steps, if any, have been taken to prevent a recurrence of these losses which are destroying the livelihood of our east coast fishermen and fishing companies?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I also thank my hon. friend for his good wishes. Replying directly to his question, I would advise him that statutory declarations have been taken from the fishermen who have suffered losses. These have been transmitted to the Soviet authorities through diplomatic channels and compensation has been requested. We expect that the Soviet authorities will take a reasonable attitude.

Mr. Crouse: A supplementary question, Mr. Speaker. I wonder if the hon. minister would answer the latter part of my question, namely, what steps are being taken by the government to prevent a recurrence of these losses which are literally destroying our industry?

Mr. MacEachen: Mr. Speaker, subject to further investigation I understand that arrangements have been worked out between the Department of Fisheries and the Soviet fleet in an effort to avoid these destructive forays, especially with respect to the lobster fishermen. These are continuing arrangements and the department keeps in touch with the fleet in an effort to avoid further incidents. I believe the most recent incident was the subject of discussion between the department and the fleet commander in an effort to avoid further incidents.

CONSUMER AFFAIRS

REGULATIONS GOVERNING WINE INDUSTRY—GOVERNMENT POSITION

Mr. Roger Young (Niagara Falls): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the widespread concern regarding the regulations published in the Canada *Gazette* last July concerning the Canadian wine industry, may I ask if the minister now intends to abandon these proposed regulations?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, all interested parties had 60 days to present their observations. In light of the interest shown in the matter, I extended the period to November 24 next. I appreciate the interest of the hon. member and I know that he and some of his colleagues from that area of the country have already made representations. I can assure them, as well as the other hon. members, that no final decision will be reached before all points of view have been looked into.

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ADMINISTRATION OF JUSTICE

REQUEST FOR FEDERAL AID FOR QUEBEC POLICE FORCES—POSITION OF GOVERNMENT

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Solicitor General of Canada.

In view of the numerous resolutions the minister has received from municipal councils requesting the federal government to review the financing of the Quebec police force with a view to granting them financial assistance, does the minister intend to discuss the matter in the near future with the Quebec Minister of Justice or does he consider the matter closed?

Hon. Warren Allmand (Solicitor General of Canada): Mr. Speaker, I have already discussed the matter with the Quebec Minister of Justice. I sent him a letter a few days ago advising him that we have no program providing for assistance to Quebec or any of the other provinces with their police force.

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EXTERNAL AFFAIRS

CONDEMNATION TO DEATH OF CANADIAN CITIZEN BY U.S.S.R.—GRANTING OF PASSPORTS TO PERSONS SUSPECTED OF WAR CRIMES

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs as well as offer him my good wishes.

Has the minister, through his discussions with U.S.S.R. delegates at the United Nations raised the matter of the death sentence pronounced against the Canadian citizen, David Geldiaschivilli?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I can advise my hon. friend that I did not raise that particular case with the Soviet foreign minister. I did raise another case but not that particular one for a number of reasons, primarily because at the moment the case is still before the Soviet courts. I understand that the lawyer acting on behalf of the gentleman in question intends to make a further appeal. The Canadian Embassy in Moscow has been following the case very closely from the beginning.

[*Translation*]

Mr. Wagner: Mr. Speaker, I wish to direct a supplementary question.

Further to the minister's answer, would he agree to make a statement on motions, in the coming days, to inform the House of the facts of this case and thus answer the many questions raised by the public with respect notably to the protection given to persons with Canadian passports, the extradition of alleged war criminals living in Canada requested in the past and the apparent easiness of getting a passport even when the government is aware of the questionable background of an applicant, as is the case now?

● (1440)

[*English*]

Mr. MacEachen: Mr. Speaker, a good deal of information has been made available about this case. I will consider whether it will be possible, by a statement or other method, to add to that information. The case is complex because the person in question is a Canadian citizen and also a citizen of the Soviet Union under the law of that country. He is being tried under that law as a Soviet citizen.

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PARLIAMENT HILL

SECURITY MEASURES—PERMISSION FOR USE OF ARMED FORCES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is supplementary to those asked earlier of the Solicitor General, whom I congratulate for being able to retain his portfolio. I am surprised that the minister did not make a statement on motions today about the ugly occurrences which took place on the grounds of Parliament Hill yesterday. As this is the second time in the last six months that such violence has occurred on Parliament Hill, will the minister tell the House what steps the government is taking to prevent its recurrence?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, considerable measures were taken yesterday. In addition to the RCMP constables who were on guard on Parliament Hill, there was the guard of the Armed Forces. We had in reserve the RCMP riot squad which acted with restraint and which came into action at the last minute late in the afternoon. As you know, Mr. Speaker, the RCMP, in conjunction with the authorities of this House, are in charge of security on Parliament Hill. We wish to keep Parliament Hill as open as possible to members of the public who wish to come here. We do not want to deter peaceful demonstrations. On the other hand, we want to intervene when violence occurs, as happened yesterday.

Mr. Lawrence: A supplementary question, Mr. Speaker. As I understand the law, before members of the Armed Forces can be called out in cases of civil disorder, either the provincial attorney general of the province concerned or the Attorney General of Canada must give permission. Was that permission granted yesterday?

Mr. Allmand: Mr. Speaker, I am not aware that such permission was granted. Since members of the Armed Forces were on the hill for the opening of parliament, they were ready to assist the police, if necessary. I think some of them did assist.

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GRAIN

POSSIBILITY OF GOVERNMENT ASSUMING DEMURRAGE COSTS CAUSED BY GRAIN HANDLERS' STRIKE

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. Since the government intervened, I think as early as May, in the grain handlers' strike on the west coast and since it seems reluctant to bring in legislation which will end the strike, is it prepared to pick up the shipping demurrage charges which are increasing every day to millions of dollars?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the government, particularly through the Minister of Labour, has worked diligently in attempting to bring the parties together to settle the dispute. If, in the end, the attempt to settle proves a failure the government has made clear its willingness to legislate. The government does not intend to pick up any of the costs associated with the strike, anymore than it would pick up those associated with other strikes. It was always within the power of the grain companies, many of them owned by the farmers, to avoid such costs by accepting the recommendations of the Perry report.

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EXTERNAL AFFAIRS

GOVERNMENT ACTION TO HAVE SOVIET AUTHORITIES RELEASE VALENTYN MOROZ

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Is the minister in a position to report to the House on steps the government has taken, since we were last in session, to try to persuade the Soviet authorities to release the scholar Valentyn Moroz.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I raised the question of the condition of this scholar with the Soviet foreign minister. There was a good deal of interest in the country about

his condition. Representations had been made by the Prime Minister and my predecessor to the Soviet authorities, particularly concerning his state of health. Obviously, the requests for information were taken seriously and Mr. Gromyko was able to advise that Mr. Moroz was in normal health. A physical examination had been undertaken, and his condition was satisfactory; he was taking regular exercise and was under normal medical care.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Has the minister made representations to the government of the Soviet Union to the effect that, regardless of Mr. Moroz's health, justice calls for his release?

Mr. MacEachen: Mr. Speaker, that raises a different question. My purpose at that particular meeting, in conformity with representations which had been made all during the summer, was to seek some assurances about the condition of this particular person. My representations at that stage did not go beyond that point.

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AGRICULTURE

EGGS—POSSIBLE USE AS PROTEIN SUPPLEMENT FOR ANIMALS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is directed to the Minister of "Eggriculture". It concerns eggs. When his department learned that 28 million eggs might go bad, did it investigate the possibility of salvaging most of them and using them as a protein food supplement to reduce the high cost of protein feed for animals?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the public hearing which will take place will bring out all the facts.

Some hon. Members: Oh, oh!

Mr. Whelan: It will show that everything humanly and physically possible was done with resources inside and outside Canada to process these eggs as quickly as possible. I point out to the hon. member that egg powder is one of the most expensive proteins one can use for food.

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MANPOWER

POSSIBLE CONSULTATIONS WITH PROVINCES ABOUT ALLEGED SHORTAGE AND INCREASE IN APPLICATIONS FOR IMMIGRATION

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Did he consult with provincial governments, especially those of Alberta and Ontario, about certain manpower shortages and other factors relating to the selection of immigrants. Also, would he dispel fears and doubts created by yesterday's front page story in the *Globe and Mail* by making any necessary clarifications?

[Mr. MacEachen.]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the question of manpower shortages has been a matter of constant and considerable discussion in depth with all provinces, particularly those to which the hon. member referred. With regard to the speculative story in the *Globe and Mail* of yesterday, I can confirm that we are examining the implications of the dramatic increase in applications for immigration to Canada from abroad. These are related to our comparatively better economic situation and the constraints on immigration by other countries which traditionally receive immigrants. We will make a statement on what we seek to do in response to this as quickly as possible.

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[*Translation*]

BILINGUALISM

CONSULTATION WITH QUEBEC ON BILL 22

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the hon. member for Prince Albert a moment ago asked the hon. Minister of Justice a question about Bill 22 which was adopted by the Quebec Legislature. I wish therefore to direct my question to the right hon. Prime Minister.

Has the Prime Minister had discussions with the Quebec premier concerning Bill 22 which I feel is a disgrace for the Province of Quebec within the federal context, and can he advise the House whether there has been an exchange of correspondence with him concerning this?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, when I met the Quebec premier about the middle of August, we discussed various topics and Bill 22 was on the agenda.

* * *

● (1450)

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT POLICY IN RELATION TO WAGE SETTLEMENTS—REQUEST FOR STATEMENT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is supplementary to others asked earlier today, most recently by the hon. member for Crowfoot. It is directed to the Prime Minister. Only yesterday we heard in the Speech from the Throne that there is such a thing as cost-push pressures and we should exercise restraint. Does the government have a policy related to the scale and scope of wage settlements, bearing in mind the potential settlements in the Thunder Bay area as well as those on the west coast affecting wheat? If so, what is the policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the subject of the discussions that are taking place with representatives of labour is along the lines about which the hon. member is asking. I suppose the best way to answer is to indicate to the House and the hon. member that we do not expect labour to be the only group in the community to bear the burden of inflation.

Some hon. Members: Hear, hear!

Mr. Nowlan: I thank the Prime Minister for answering my question in part. In view of the statements of the resurrected minister in charge of the post office on the program "Question Period" on Sunday to the effect that he did not think a 60 per cent increase was inflationary, is this 60 per cent going to be government policy in relation to government contracts and wage negotiations with which the Post Office and other departments will become involved?

Mr. Trudeau: Mr. Speaker, I did not hear the program to which the hon. member alludes. It would obviously depend on the particular settlement and what period of time it covered. I must remind the House we gave ourselves a 50 per cent increase not too many years ago. That, of course, covered several years. It was a catch-up operation.

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HOUSING

CONSULTATION WITH PROVINCES TO EXPAND PROGRAMS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is to the Minister of State for Urban Affairs. I congratulate him on his elevation to that portfolio.

Some hon. Members: Hear, hear!

Mr. Marshall: People on low incomes who are trying to keep their homes up to standard are suffering because of inflation. The Neighbourhood Improvement Program, the Residential Rehabilitation Assistance Program and the rural housing program are moving forward at a very slow pace. What progress is being made with the provinces to expand the programs and direct more funds into this very worthwhile effort?

Hon. Barnett J. Danson (Minister of State for Urban Affairs): Mr. Speaker, I thank the hon. member for his kind words and the goodwill he has expressed. I hope this will remain with him. I am very much concerned about the NIP, RRAP and other programs which the hon. member mentioned. I am actively meeting with the provinces. I have met with the premiers of several and will be meeting with others as well as my counterpart ministers in the provinces to speed up implementation of these programs which are urgently needed to regenerate some of the deteriorating housing stock in our cities.

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THE CANADIAN ECONOMY

INFLATION—REQUEST BY PROVINCIAL PREMIERS FOR MEETING WITH PRIME MINISTER PRIOR TO PRESENTATION OF BUDGET

Hon. Robert L. Stanfield (Leader of the Opposition): In view of the importance stressed in the Speech from the Throne about all levels of government working together to deal with inflation, is the Prime Minister now prepared to meet the request of the provincial premiers, which was recently renewed by the four western premiers, to have a meeting with the federal government prior to the presentation of a budget in this House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I wish to point out there have been meetings between myself and some of my ministers with provincial premiers and ministers. Some of these meetings have already taken place. Discussions concerning the budget, particularly with regard to the western provinces, have been going on between myself and Premier Lougheed and Premier Blakeney through correspondence. There have been meetings of officials and at other levels. I may be incorrect in suggesting that I wrote Premier Blakeney. I did write Premier Lougheed. I will have to check on the other case. However, these meetings are taking place and I think the consultations are fruitful.

Mr. Stanfield: Mr. Speaker, I ask the Prime Minister to state quite frankly whether he is too busy to meet the urgent request put forward by or on behalf of all provincial premiers for an informal meeting prior to presentation of the budget. Why can the government of Canada not meet this very simple request in view of the urgent state of inflation in this country, which even the government belatedly seems to recognize?

Mr. Trudeau: Mr. Speaker, it is not because I am too busy, as the Leader of the Opposition put it. I am prepared to meet these gentlemen at any time. I would not want them to believe, as the Leader of the Opposition seems to suggest, I would discuss with them the federal budget in any detail any more than they would discuss their budgets with the federal government. With regard to constructive proposals they might have in mind with regard to ways of combatting inflation, I feel they are able to make them just as easily on a one-to-one basis as on a ten-to-one basis.

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day.

* * *

● (1500)

[*Translation*]

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. LOUIS DUCLOS AND SECONDED BY MR. ART LEE

The House proceeded to the consideration of the speech delivered by His Excellency the Administrator of the Government of Canada.

Mr. Louis Duclos (Montmorency): Mr. Speaker, my first words will be words of thanks addressed to the right hon. Prime Minister and the members of the cabinet for having entrusted me with the pleasant task of moving the address in reply to the Speech from the Throne. Not only is it a mark of confidence which I appreciate greatly, but it is as well an honour of which I am very proud and which is shared by my family and the population of my

riding of Montmorency which was kind enough to trust me in the last general election.

Mr. Speaker, I should also like to congratulate you on the important task that has been entrusted to you. I wish you every success and satisfaction in the performance of your duties as Speaker of this House.

In another vein, I am sorry the absence of our Governor General has cast a shadow over the opening session of this 30th Parliament. I am sure that I speak for all hon. members in this House in wishing him prompt recovery and return to the performance of his high duties. It is however reassuring, Mr. Speaker, to see that he is replaced, in the circumstances, by a person of the calibre of the Right Hon. Justice Bora Laskin.

Mr. Speaker, as is the tradition, I would like to begin by saying some words about the riding I have the privilege of representing since the election of last July. The constituency of Montmorency was created for the election of 1965. Located northeast of Quebec City, it stretches from the towns of Charlesbourg and Orsainville, directly north of Quebec City, whose northeastern limits it follows, then along the St. Lawrence River, down to the town of Saint-Joachim, located some 30 miles east of Quebec City. In short, there are approximately 21 towns and cities in my riding.

Mr. Speaker, most members would better understand if I told them that in the constituency of Montmorency we find this natural jewel that is Île d'Orléans, also Montmorency Falls, the well-known sanctuary of Sainte Anne de Beaupré as well as Mont Sainte Anne ski centre.

A large part of the riding of Montmorency covers what used to be an agricultural area, the Île d'Orléans on the one hand and the stretch of land bordering the St. Lawrence between Ange-Gardien and the municipality of Saint-Joachim, on the other hand.

It is said that today hardly 2 per cent of the labour force in the riding of Montmorency are working in agriculture. Indeed, most of the people are employed in the manufacturing and construction industries, in government and related services, in business and the public service in general.

An integral part of the greater Quebec City area, the riding of Montmorency experiences a progress that is closely dependent on and related to the development of the area as a whole. Some of the investments the federal government contributed these last few years to the substructure in the greater Quebec City area directly benefitted the population of the riding of Montmorency. I would like to list a few of these investments. For instance, there is the $18 million granted for the construction of Capital Boulevard, the circular road around Greater Quebec City which allows the people of the Montmorency constituency to gain quick access to the western part of the Quebec City area. There are also the facilities at Mont Sainte-Anne to which the Department of Regional Economic Expansion has earmarked $13 million. Finally, there is the widening of Henri-Bourassa Boulevard, for which the Department has spent $9 million to link Capital Boulevard to the sand banks of Beauport so that, eventually, and as soon as possible, they may be converted into a port.

I have mentioned all these investments, Mr. Speaker, but, in my opinion, they must be only a beginning. Indeed, the economic development needs of my constituency are great, especially since it has an unemployment rate of approximately 8 per cent. It is therefore important that policies be implemented to create in Greater Quebec City a centre of economic development which will allow it to back up the area of Montreal, which now contains the whole Quebec manufacturing industry. In my opinion, any strategy aiming at creating such a development centre must be based upon the development of the port of Quebec City. But, as shown in a report prepared for the Department of Regional Economic Expansion, it would be only natural for the port of Quebec City, where activity has more than doubled during the last five years, to be expanded eastwards, in other words, towards the Montmorency constituency. This would mean a gradual conversion of the sand banks, that is, of the part of the constituency which includes the land between the properties of the Anglo Canadian Pulp and Paper Mills Limited and the bridge of Orleans Island.

Indeed, Mr. Speaker, several factors would make such a government initiative desirable. First, the fact that the channel to the south of Orleans Island is now being dredged to a depth of 41 feet, which would allow access to 125,000-tonners, ships with a 54-foot draught. For example, because of the river's configuration, only ships of 40,000 tons can reach the Montreal harbour.

One must also take into account the quantity of space available; there is a five mile long zone, which is about 500 feet deep, that could be used for a port.

There is also additional space available behind port facilities that could be used for an industrial harbour sector.

Finally, the sandbanks are linked by the Henri-Bourassa boulevard I just mentioned and boulevard de la Capitale with the main roads of the Quebec and Canada network.

Such a development of the port of Quebec, Mr. Speaker, would undoubtedly attract advanced technology industries that would create well paid jobs for this group of technologists and skilled workers formed of many young people entering the labour market.

Those industries can pay attractive wages more especially owing to their extremely high productivity rate.

I also wish to point out the importance of a direct air service between New York and Quebec City. Such a connection would promote the development of tourism which is centered in my constituency on the sports activities at Mont Sainte-Anne. Indeed, it would give rise to a greater influx of American tourists who would come to ski during winter. I therefore hope that the government will take the necessary steps in order that the difficult negotiations undertaken with the American government be successfully completed.

Mr. Speaker, I mentioned a while ago that the Orleans Island appeared to me to be a natural gem. For this reason, I would like to express my appreciation to the federal government for its financial contribution for carrying out a protection and development plan of the Orleans Island.

It seems essential to me that we avoid that economic development, without being against it, should be tan-

tamount to the destruction of this peaceful green oasis. The agricultural character of the Island of Orléans must also be protected.

Concerning this, Mr. Speaker, I would like to stress the government's interest, as it was set out in the Speech from the Throne, in encouraging farmers—because, on the Island of Orléans, there are still many farms—to increase their production thanks to policies concerning the stabilization of income and markets.

I am therefore inviting all hon. members to come visit the Montmorency constituency to know it better. They will soon see that the people are hospitable and that it is a good place to live.

I would, however, like to address this invitation more particularly to the right hon. Prime Minister (Mr. Trudeau). I can assure him that the population of Montmorency will make him forget the comportment of the loudmouths that he met in the Quebec region at the opening of the "Superfrancofête", and who tried to violate his rights of liberty of expression in our democratic country. The great majority of the population of Montmorency disapproves of such actions and I wanted to tell this to the Prime Minister in the House.

Mr. Speaker, Paul Valery has said: If the state is too strong, it crushes us; if it is weak, we perish.

In 1967, he who is now head of the Canadian government today, wrote, on somewhat the same lines:

> The oldest problem in political philosophy and almost its only one, is to justify authority without, for that, destroying the human person's independence. How can we reconcile the individual and society? The wish to be alone and the need to live in a group? The love of liberty and the necessity for order? . . . Now, the most useful thing that philosophy has been able to tell us concerning this problem is that one must stay at equal distance from both ends of the alternative. Too much authority, or too little, and that is the end of liberty.

This is the political philosophy on which are based all the legislative measures which the government intends to take within the next few months to ensure Canada's social and economic progress in these difficult times, measures which are fully described in the Speech from the Throne. No doubt the present situation demands a positive and strong action on the part of the government, but an action which nevertheless shows respect for the individual and his initiative.

Mr. Speaker, the problem of inflation will indeed be at the focus of the government's preoccupations within the next few months. Nearly everybody will agree that, if we want to attack the root of inflation, this is a problem whose solution must be of world wide dimension.

● (1510)

[*English*]

In that respect, Mr. Speaker, one must welcome the intention of the government, as outlined in the Speech from the Throne, to participate actively in bilateral and multilateral discussions with a view to ensuring that the present economic difficulties of the world be gradually ironed out and a recession avoided. Under the present circumstances, the state of the world's economy must be the main field of interest of our foreign policy.

I am convinced, Mr. Speaker, that Canada is in a position to play a decisive and vital role in bringing together the nations of the world in view of the enormous prestige, respect and moral authority enjoyed by its Prime Minister (Mr. Trudeau) in the international arena. As of now, all our efforts must be geared toward bringing as many countries as possible to a better understanding of the urgency of genuine international co-operation in the field of monetary and trade policies.

The Speech from the Throne also refers to the government's concern with respect to the spreading of nuclear technology and materials. This is, in my view, a problem of utmost importance in view of the always increasing number of countries which have developed, or appear on the verge of developing, nuclear capability. I would hope that Conrad Adenauer, the late father of West Germany, was mistaken when he said: "God made a great mistake when he limited the intelligence of man but did not limit his stupidity". The American novelist, John Steinbeck, once wrote on the same subject: "Our civil war has been called the last of the gentlemen's wars". The so-called Second World War was surely the last of the long, global wars. The next war, if we are so stupid as to let it happen, will be the last of any kind; there will be no one left to remember anything—and if that is how stupid we are, we do not, in a biological sense, deserve survival.

[*Translation*]

Mr. Speaker, as regards the inflation problem I mentioned a while ago, one may be sure that if international concertation is necessary to really tackle this problem, we should not for all that minimize the importance of the measures proposed by the government, measures that follow those taken in the past and which permitted Canada, in the circumstances, to show a lower price increase rate than that shown in other industrialized countries.

Mr. Speaker, therefore I should like to suggest a serious examination of the part played by credit cards in the inflation problem. Indeed, one can wonder if their extensive use nowadays could not destroy the measures that the government might put into effect to restrict the demand for goods and services.

Housing is another sector of our economy where inflation is causing havoc. All were able to notice the abnormal rise in housing during these last years, especially in the great urban centres of this country. There are obviously various causes, but it seems to me that we should examine the part played by land speculation and, if need be, the possibility of introducing a special tax on profits derived from speculative transactions.

Mr. Speaker, it is all the more necessary for our economy to keep and increase its strength since that is the essential condition to the improvement of our social security program. For it is basically the increase in the strength of our economy that will allow this government to be even more generous in the case of the small and the underprivileged in our society. I always thought, Mr. Speaker, that the role of the government in a country as affluent as Canada is basically to be with the small, the underprivileged, and to stand for them.

I am also pleased to note in the Speech from the Throne the government project with respect to allowances for the

spouses of old age security recipients between the ages of 60 and 65. I hope this will be a first step toward the eventual payment of old age security to those reaching 60 and wishing to withdraw from the labour force. Of course, one must be fully aware of the costs inherent in such social legislation but it will be through the expansion of our economy that we will be able to help the truly needy.

The Speech from the Throne is also quite comforting as far as housing goes, particularly as it relates to making it easier for young people to buy a first home. I refer particularly to the $500 grant on buying a first home, and in the case of a new house. Finally, I refer to a measure contained in the budget—the housing savings plan—to allow at last young people to prepare through the years for the purchase of a home. I also point out a proposal quite popular and welcomed in my riding. I am talking about the federal rebate which allows the government and the Central Mortgage and Housing Corporation to reimburse part of the monthly mortgage payments actually beyond what Canadian families can afford to pay.

Those proposals are quite welcomed in my riding where there is a large proportion of young households anxious to settle down in their own homes after a few years of married life.

Mr. Speaker, at the opening of the first session of the 29th Parliament, the hon. member for Lachine-Lakeshore (Mr. Blaker) who seconded the Address in reply to the Speech from the Throne, stated:

> There are those who claim that the bilingualization of the public service has gone too far too fast. May I say with great respect to the members of this House that it has proceeded not too quickly, but altogether too slowly.

I would like to tell, Mr. Speaker, how much these comments seemed right to me then. I know that there is constant progress in that field but I also know that there is still much to be done.

However, being forever concerned about the rights of the people in office the government must nevertheless increase its efforts so that French-speaking Canadians may carve out a career in the Public Service of Canada while keeping their culture. It is imperative that the experts trained by Quebec at the cost of huge sacrifices on the part of the Quebec population find outlets in the Public Service of Canada and contribute to increase further its quality.

It is regrettable that due to the nationalist wave which has invaded many Quebec sectors too many young French Quebecers give up in such a way quite interesting careers and deprive society of valuable services.

Mr. Speaker, to conclude, I move, seconded by the hon. member for Vancouver East (Mr. Lee), that an Address be presented to His Excellency the Governor General of Canada, the text of which is as follows:

To His Excellency the Right Hon. Bora Laskin, Chief Justice of Canada and Administrator of the Government of Canada.

May it please Your Excellency:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both Houses of Parliament.

[Mr. Duclos.]

● (1520)

[*English*]

Mr. Art Lee (Vancouver East): Mr. Speaker, it is an honour and a privilege for me to be accorded this opportunity to second the motion of the hon. member for Montmorency (Mr. Duclos). It is an honour for the people of my constituency of Vancouver East and a recognition of my province and the west.

I am deeply appreciative that I have been chosen to represent one of the most interesting and challenging constituencies in Canada, an area made up of hard working and talented people many of whom have come from other countries to make this their home. There are thousands of native born as well, and together we represent a great range of ethnic backgrounds and many political parties. We have Canadians who have come from Italy, Germany, Yugoslavia, The Netherlands, from other European and Asiatic countries and, of course, from Great Britain. We are glad they chose Canada, and I shall represent them with pride.

Then there are the Canadians of Chinese descent. If you will forgive a personal note, Mr. Speaker and hon. members, my election to parliament as the first Canadian of Chinese descent from my party tells something about this great country of Canada. My family had its beginning in Canada when my great grandfather came here in 1883 to work on the Canadian Pacific Railway as a labourer. It may be said that in a very real and tangible way Canadians of Chinese descent helped unite Canada in the first place with bands of steel. My grandfather ran a grocery store and restaurant in the Cranbrook and Kimberley area from 1902 to 1937. His son, my father, continued my grandfather's business until World War II, when he served as a pilot in the Royal Canadian Air Force. My father later co-founded an independent retailer-owned wholesale business in Edmonton, Alberta, which services northern Alberta, the Northwest Territories and the Arctic.

Within four generations this great country of ours has provided the chance for our family—yes, and to many other families of many other backgrounds—to build our lives and careers and to take advantage of the great range of opportunities available to all Canadians.

Of course, together with certain other groups in society, the efforts of Canadians of Chinese descent to achieve the full privileges of citizenship have not been without problems. Many of my ancestors have known hardships born from misunderstanding and language barriers. But, through perseverence and patience and by drawing on their strength and cultural upbringing, they have now achieved full and equal participation in Canadian life. Many of us have entered the professions but, more important, we as an ethnic community have become more actively involved in our society and will continue to do so.

I stand before you, Mr. Speaker, as a member of a new generation of Canadians and I consider it my task as a member of parliament to represent and serve all the people of my riding of Vancouver East, my province, British Columbia, and my country, Canada. I consider myself privileged to be a member of the post-Second

World War generation. We are fortunate that our grandfathers and fathers defended this nation in two world wars and overcame the very real hardships of the depression years. I think I speak for all young Canadians when I say that we have had opportunities like no one before us. At times, admittedly, some of our actions and expressions would not appear to express this gratitude, but many of our critical attitudes and actions have been inspired by a sincere desire to better what we believe to be basically a good society. I am young in years, but my cultural heritage has taught me to draw on the wisdom that comes with age. I look forward to drawing upon the wisdom of my new colleagues be they on this side or the other side of the aisle.

My great constituency, Vancouver East, is an urban riding. The eastern half of the port of Vancouver is its northern boundary. Another notable landmark, the Pacific National Exhibition—the largest exhibition on the west coast and the second largest in Canada—is held yearly in Vancouver East. Vancouver city hall and the Vancouver General hospital are situated in my riding. The second largest Italian community in Canada is also in Vancouver East. Because of these special attributes and, if I may say this in all modesty, Mr. Speaker, because my riding is in Vancouver, one of the most beautiful cities in the whole of Canada, I believe I have been afforded the opportunity to serve and represent the most interesting and unique riding in the country.

Because Vancouver East has been, and still is, the staging ground for many new Canadians, the general question of assimilation is of special concern and importance to many of the people I represent. I trust that the measures outlined in the throne speech will give some of the answers to this question. Housing in general is also of great concern to the people of Vancouver East. I welcome the measures outlined in the Speech from the Throne. Hopefully, they will assist greatly in alleviating the need for improving accommodations.

Furthermore, my riding, being an integral part of the greater Vancouver area, is faced with the problems of an urban environment. The quality of the environment in physical, economic and social terms is of great concern to the people of Vancouver East. I trust the measures outlined in the throne speech will help to alleviate this problem of urbanization.

Many senior citizens live in my riding. My cultural heritage has taught me to respect my elders and to be responsible for them. In exercising our responsibility for our senior citizens, we should do so with dignity and honour; not out of a sense of charity but because our senior citizens have earned it.

● (1530)

Of great concern to the people of Vancouver East is the state of the nation's economy, particularly in these times of inflation. I have the fullest confidence that the measures outlined in the Speech from the Throne will help to control and curb the problem of inflation. Most gratifying is the policy that inflation shall not be combated by the government's deliberately causing slack in the economy.

Mr. Speaker, because of my family's roots and because I represent British Columbia, one of the western provinces, I feel that I should speak briefly as a westerner. It is true that Canada is made up of many diversified regions and economies. It is equally true that western Canada in its make-up is not homogeneous but is, in reality, very heterogeneous. There are, however, some regional traits common to British Columbia, Alberta, Saskatchewan and Manitoba. First, industries in western Canada are predominately resource-oriented. Second, westerners are individualists; each of us has a feeling that we can make our own way and direct our own life. Third, westerners judge a person for what he or she is, and not so much on the basis of where he or she comes from. Fourth, westerners take great pride in our earnest hopes for a unified Canada based on the diversity of our ethnic origins. Because of these regional traits, we feel that the west is unique and we earnestly hope that this thirtieth parliament, as have parliaments in the past, will give more recognition to the problems of the west.

We are gratified to see that the throne speech for this session is working toward a long-term program in transportation. Our concern is based upon the fact that western Canada's economic position depends heavily on transportation, and any attempt to strengthen western economy will necessarily involve improvements to the transportation system. In addition to our concern over transportation, we earnestly hope that more recognition will be given to the fact that western Canada needs to develop a viable secondary industry. To accomplish this goal there is further need for more decentralization of industrial activity in the west, both in the private and government sectors.

Mr. Speaker, I mentioned earlier that the northern boundary of my riding is the eastern half of the port of Vancouver. Being also an integral part of the west's economic structure, we earnestly hope that more recognition will be given to that port's need for future development. Our concern is based upon the fact that unless further recognition is forthcoming, the hopes and aspirations that western Canada, and Canada in general, will become an integral part of the Pacific rim will be frustrated.

I should like at this time to thank the Prime Minister (Mr. Trudeau) for giving me the opportunity to second the motion of the hon. member for Montmorency. I should also like to thank you, Mr. Speaker, and hon. members present, for your courteous patience with a freshman member of parliament. I take pleasure in seconding the address in reply to the Speech from the Throne.

Mr. Stanfield: Mr. Speaker, I move the adjournment of the debate, I am sure with great disappointment to all.

Motion agreed to.

Mr. Sharp: Mr. Speaker, I move the adjournment of the House.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Motion agreed to.

Mr. Speaker: This House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2.

The House adjourned at 3.40 p.m.

HOUSE OF COMMONS

Wednesday, October 2, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF MOTION CONCERNING EXPORT TAX ON OIL AND OIL PRODUCTS

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to lay on the table of the House a notice of ways and means motion with regard to an export tax on oil and oil products.

* * *

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY TO DEBATE WAYS AND MEANS MOTION

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 60, sub-section 2, I request you to designate an Order of the Day for consideration of the notice of ways and means motion just tabled.

Motion agreed to.

* * *

BILINGUALISM

SUGGESTED REFERENCE OF QUEBEC BILL 22 TO SUPREME COURT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to request the permission of the House to move a motion of urgent and pressing necessity concerning a matter referred to during the question period yesterday by the right hon. member for Prince Albert (Mr. Diefenbaker) and the hon. member for Témiscamingue (Mr. Caouette).

I would ask permission to move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the House requests the government to immediately take the necessary steps to refer the Official Languages Act of the province of Quebec, known as Bill 22, to the Supreme Court of Canada for an opinion as to whether or not such legislation is unconstitutional.

Mr. Speaker: The House has heard the motion presented pursuant to Standing Order 43 which cannot be presented for debate without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I sense that there is something less than unanimous consent.

* * *

SPORTS

MONTREAL OLYMPICS, 1976—SUGGESTED INVESTIGATION OF EXPENDITURES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to Standing Order 43, I rise to propose a motion on a matter of urgent and pressing necessity. In view of the fact the 1976 Montreal olympic financing program appears to be encountering severe financial setbacks, and in view of the fact the city of Montreal voted itself the right to spend olympic funds without public tender, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That a committee of this House be immediately convened to investigate the expenditures of moneys involved in the olympic financing program, as authorized by this House in Bill C-196.

Mr. Speaker: The House has heard the motion. It is being presented pursuant to Standing Order 43 and cannot be proceeded with without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be received.

* * *

AN ACT TO AMEND THE COMBINES INVESTIGATION ACT, BANK ACT AND CRIMINAL CODE

AMENDMENTS TO DEFINITIONS AND POWERS

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-2, to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code.

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

Establishment of Council

[*Translation*]

BRITISH NORTH AMERICA ACTS, 1867-1965

AMENDMENTS RESPECTING SENATE REPRESENTATION FOR YUKON AND NORTHWEST TERRITORIES

Hon. Mitchell Sharp (President of the Privy Council) moved for leave to introduce Bill C-3 intituled: "An Act to amend the British North America Acts, 1867 to 1965."

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

* * *

● (1410)

[*English*]

STATUTE LAW (VETERANS AND CIVILIAN WAR ALLOWANCES) AMENDMENTS ACT, 1974

AMENDMENTS RESPECTING ENTITLEMENT AND ALLOWANCES

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved for leave to introduce Bill C-4, to amend the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act.

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

* * *

[*Translation*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS ACT

MEASURE TO ESTABLISH COMMISSION

Hon. Gérard Pelletier (Minister of Communications) moved for leave to introduce Bill C-5 intituled "An Act to establish the Canadian Radio-Television and Telecommunications Commission, to amend the Broadcasting Act and other Acts in consequence thereof and to enact other consequential provisions."

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

* * *

[*English*]

CANADA MANPOWER AND IMMIGRATION COUNCIL ACT, 1974

MEASURE TO ESTABLISH COUNCIL

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved for leave to introduce Bill C-6, to establish a Canada Manpower and Immigration Council.

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

[Mr. Ouellet.]

ORAL QUESTION PERIOD

[*English*]

HOUSING

POSSIBLE MEASURES TO INCREASE HOUSING STARTS—SUGGESTED REDUCTION OF INTEREST RATES—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask some questions of the new Minister of State for Urban Affairs who is now responsible for housing. With reference to the crisis which now exists in respect of the housing situation in Canada and in view of the fact that statistics now show that housing starts declined across Canada from August 1973 to August 1974 to the extent of 24.3 per cent, what immediate measures or plans if any does the government intend to take to assist people to obtain decent housing at a cost they can afford, particularly at a time when inflation is out of hand?

Hon. Barnett J. Danson (Minister of State for Urban Affairs): Well, Mr. Speaker, I suggest there is not a housing crisis in this country.

Some hon. Members: Oh, oh!

Mr. Danson: We are still the best housed people both quantitatively and qualitatively of any nation in the world, and I think we should be grateful for that.

Some hon. Members: Hear, hear!

Mr. Danson: I think one should keep things in perspective. It is true that the actual housing starts are down 9 per cent this year and on a seasonally adjusted basis as indicated they are down somewhat more. But aggressive government action has been taken in the form of the AHOP program which has been extremely well received. Some $450 million of funds have been applied for or committed to date. This is an extremely successful program.

In addition, we have the limited dividend section 15 on housing, which has already been called for proposal, the land assembly program of the government, the proposed registered home ownership savings plan which will help young families accumulate funds, etc. I could go on, Mr. Speaker.

Some hon. Members: Order.

Some hon. Members: Hear, hear!

Mr. Woolliams: Mr. Speaker, it is a long time since I heard so much verbiage.

Some hon. Members: Oh, oh.

Mr. Woolliams: In the light of the fact that many builders have halted construction because of current high mortgage interest rates, could the minister inform the House whether he is considering taking action to implement a program of lower or subsidized interest rates for builders to ward off a future housing shortage crisis and to prevent excessive unemployment in the construction field?

Mr. Danson: We have already done that through our AHOP programs which will bring effective interest rates down to a maximum of 8 per cent and in some cases, depending on family income and size, as low as the rate of 4 per cent. In addition to that, the limited dividends on housing in our proposals in section 15 for which I have just called give effective rates of 8 per cent to builders. These proposals will help to keep interest rates moving and to house Canadians at reasonable rents.

Mr. Speaker: The hon. member for Calgary North on his final supplementary question.

Mr. Woolliams: In light of the fact that the minister is admitting that housing starts are down and in light of the fact that the Assisted Home Ownership Program fund for low income groups is limited by instructions from the regional offices of CMHC, and they only now apply to new houses, how can the minister justify his directive that these funds not be used for the purchasing of other homes which are already built for people?

Mr. Danson: The hon. member has already referred to inflation and the restraints imposed upon us. In view of that I thought it much more important that those funds under AHOP be directed to new housing so as to increase the housing stock. I appreciate the fact that this does not help people buying existing houses, but my main job is to ensure that more houses are built in Canada, and that is what I am trying to do.

Some hon. Members: Hear, hear!

CONSULTATION WITH INDIANS ON AID IN HOUSING PROGRAMS

Mr. John Gilbert (Broadview): Mr. Speaker, my question also is directed to the Minister of State for Urban Affairs. In view of the deplorable housing conditions of our native Indians and the necessity for a group of them marching to Ottawa to demonstrate their plight, has the minister or any of his officials contacted any of the leaders of the Indian group now in Ottawa? Has he made any arrangement with regard to financial assistance to help them?

Hon. Barnett J. Danson (Minister of State for Urban Affairs): We deal regularly on a most co-operative basis with the Indian associations in Canada. Of course, my colleague the Minister of Indian Affairs and Northern Development, has been in direct contact and close co-operation with those who are in Ottawa at this time. Certainly, so far as Indian housing is concerned we have demonstrated our deep concern through our native housing programs and the minister and I have been discussing ways to resolve this problem and improve the situation.

AGRICULTURE

MILK—SUGGESTED RECONSIDERATION OF PHASING OUT OF SUBSIDY—POSITION OF PROVINCES

Mr. Edward Broadbent (Oshawa-Whitby): My question is directed to the Minister of Agriculture. In view of the expressed opposition of a number of provinces to the federal government's decision to phase out the 5 cent per quart milk subsidy that is now being paid, could the minister inform the House whether the government has reconsidered its decision to pay the subsidy?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this 5 cent a quart consumer subsidy is one that the Department of Agriculture was asked to administer. The government made that decision earlier this year in the month of August.

Mr. Broadbent: After the election.

Mr. Whelan: We have agreed to do what the provincial ministers had asked us to do. The provinces asked us to phase it out over a longer period of time.

● (1420)

The record will show that many of the dairy producing and dairy processing groups felt they should not be included in this. Most of them felt it should be given in the form of direct social assistance. Where we go from there, Mr. Speaker, I do not know. I do not know whether it will be passed on in the form of social assistance, but I would point out that when the government introduced the milk subsidy we had not indexed old age pensions, we had not increased veterans pensions and other benefits received by those on fixed incomes. Those people now are in a different position from that in which they were at the time when we put the consumer milk subsidy program into effect.

Mr. Broadbent: Mr. Speaker, I would like the minister to clarify what he just said in order to make sure that I heard him accurately. If I did hear him accurately then what he said was that the provincial governments requested him to phase out the subsidy. Does he mean they accepted the notion of the cancellation of the subsidy in total, or does he mean the federal government told the provincial governments that they were going to lose the subsidy and, in reply, they said they preferred to have it phased out? I want the minister to clarify that, and then to explain how the federal government is going to replace the revenue that was going to the provinces for this needed food product, that is, if it is going to abandon the 5 cent subsidy that was in the program previously and which is still so badly needed.

Mr. Whelan: I will try to remember the whole statement which the hon. member made, Mr. Speaker. I want to make it perfectly clear that some people are under the impression that because of the 5 cents a quart consumer subsidy there was no increase in milk prices last year. I would point out that some of the public utilities and other systems throughout the country controlling the dairy industry had to meet extra costs, that they received increases as much as five or six times, and all they had to do in order to

increase their prices was to prove that their costs went up. That applies to both processing and producing industries.

I met ministers of the provincial governments in Winnipeg in July, and they asked that this program be phased out, but over a longer period of time than we in the federal government had decided it should be phased out. I would point out that a year ago they condemned us for introducing the program. Mr. Speaker, we made it pretty clear a year ago that it was a one year program.

Mr. Broadbent: On a point of order, Mr. Speaker, the minister has just misinformed the House, inadvertently or otherwise.

Some hon. Members: Oh, oh!

Mr. Broadbent: If the backbenchers on the other side will be quiet for a minute I will explain my point of order. I have been informed by Premier Schreyer of Manitoba that in the month of July he specifically requested the minister to extend the subsidy. Either Premier Schreyer has misinformed us, or in his loquacious manner the minister has so confused the point that in the process he misinformed the House. I want him to state clearly whether Premier Schreyer requested an extension of the subsidy or not.

Mr. Whelan: Mr. Speaker, I can table all the letters that were sent from the time the subsidy was introduced by the government of Canada to help consumers. At that time many people were on fixed incomes, and have now received some assistance through the extra social benefits passed by the federal parliament for them. As I say, I can table those letters and show how often the producers, the processers and the provinces have changed their opinions on what should be done.

* * *

[*Translation*]

SOCIAL SECURITY

PAYMENT OF OLD AGE PENSIONS TO WOMEN AT 60

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

At the last election, the Prime Minister promised to grant the old age pension to 60-year-old women. Now, in the Speech from the Throne it is mentioned that the pension to the 60-year-olds would be paid only in 1975. Since this promise should be fulfilled immediately after the election, does the Prime Minister intend, under the future legislation, to make those pensions retroactive to August 1, 1974?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the member is somewhat interpreting what I said. During the campaign, I stated the program which the government would carry out under normal conditions, that is considering the election of a majority government for a 4-year mandate. The Social Credit leader was the first surprised, but he will have to remember during this entire Parliament that we expect to fulfil our election promises, but not all during the first session.

[Mr. Whelan.]

Mr. Caouette (Témiscamingue): Mr. Speaker, I wish to put a supplementary question.

In July 1974, the Prime Minister made promises to the women of 60. Those women are now 60, and the government has a majority. That is why I wonder whether the government intends to wait four years before acting, when those ladies will have reached the age of 64, instead of paying the pension now, retroactive to the 1st of August. The government would then be keeping its promise. Doesn't the government intend to do so?

Mr. Trudeau: Mr. Speaker, the hon. member should not speak of four years. If he refers to the Speech from the Throne, he will see that we speak of next October.

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a supplementary.

In view of what the Prime Minister has just said, and the fact that, on the one hand the government has the majority and therefore total say in its work and, on the other hand, that it can bank on the support of the Progressive Conservatives, the New Democrats as well as the Social Crediters, specifically for this measure, why does the Prime Minister put it off so long? He can pass the measure when he will and he has the support of the opposition.

Mr. Trudeau: Mr. Speaker, I am very happy to take note of the words of the hon. member. If the opposition is willing to co-operate on all aspects of the legislation we will introduce, then we can discuss them, but it would really be incongruous for the hon. member to think that he and his party can choose which bills shall first be introduced and which shall have to wait.

[*English*]

AGRICULTURE

TURKEYS—REQUEST FOR ASSURANCE SURPLUS WILL NOT BE DESTROYED

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact that in the first week of September there were 40 million pounds of turkey in storage according to the Chairman of the Food Prices Review Board, would the minister initiate an inquiry into this surplus so that we can be assured that there will not be any wholesale destruction of turkeys as there was of eggs, particularly with thanksgiving day less than two weeks away?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I would point out here that the turkey growers and the industry run their own business. This government does not run it; they run it themselves. The turkey marketing board has not control over the product, so let us get the facts just a little bit straight. I think we are a very fortunate nation that we have a group of producers so very efficient that they keep a high quality product available for our consumption.

Mr. Paproski: Mr. Speaker, a supplementary question. Will the minister advise the Canadian turkey marketing agency to distribute its surplus turkeys, in co-operation with the provinces, to welfare recipients and old age

homes so that more people may enjoy thanksgiving dinners?

Some hon. Members: Hear, hear!

Mr. Whelan: Mr. Speaker, the correspondence that I have received recently shows that first and foremost most people and most producers, do not condone waste of any product. Most of them feel that it is the job of society as a whole to distribute any product, and not just the producers' job. It is society's job to make sure that those in need are taken care of; it is not just the job of one little segment of society to look after the rest but it is society's job as a whole. I am sure the hon. member means that also.

Mr. Baldwin: Come on, the election is over.

[*Translation*]

BEEF AND MILK—SUGGESTED CONSULTATION WITH PROVINCES ON PAYMENT OF SUBSIDIES

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I wish to direct a question to the hon. Minister of Agriculture.

Does he intend to meet his provincial counterparts in the near future, in order to elaborate an emergency program to help Canadian cattle producers survive these very difficult times which also affect to a great extent the producers of milk and dairy products?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in regard to the beef problem facing the nation, I must point out that we have been asked by the ministers of agriculture and consumer ministers in the four western provinces to hold an inquiry into all phases of the industry. I point out, Mr. Speaker, that at the moment there is no marketing board in that industry. We are considering holding an inquiry and if we do I feel sure it will bring out the facts. Our authorities are meeting with provincial authorities on Monday of this week to consider the plight that the nation's beef producers find themselves in. After that meeting we will be in a better position to know just what, if anything, will be done.

[*Translation*]

BEEF CATTLE—POSSIBLE IMPOSITION OF QUOTA BY UNITED STATES—CONSULTATION WITH CANADA

Mr. Lessard (Lac-Saint-Jean): Mr. Speaker, I wish to ask a supplementary question.

The hon. minister has probably been advised of the recent U.S. government's decision to impose a quota on Canadian beef exported to their country. Was this American decision made during consultations with the Canadian government? Were there discussions with the division concerned within the Department of Agriculture?

● (1430)

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, my information, according to the last report, is that they were considering taking such action but no action had been taken by the American authorities by the time the House resumed sitting today.

* * *

ENERGY

SUGGESTED TABLING OF DRAFT AGREEMENT WITH INTERNATIONAL ENERGY AGENCY—PROVISIONS RELATING TO EXPORTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources regarding the draft agreement which is now being considered by the member nations of the International Energy Agency. I ask the minister, first, will he be prepared to table a draft copy of that agreement prior to cabinet making any final decision; second, does the agreement, in addition to providing for cutbacks of domestic consumption under certain circumstances, call for mandatory reductions or increases in exports? If so, is there a formula to determine price?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as soon as the definitive draft of the agreement arrived at by the energy consulting group is received from Brussels, I will be glad to table it in the House so that members can examine it. As the hon. gentleman suggests, it provides an obligation for participating states to enter into energy consumption control programs. According to my recollection of it, there is no provision which would require Canada as a net exporter, as such, to increase its exports to the United States or, indeed, to any other country.

REPRESENTATIVE OF CANADA AT MEETING OF INTERNATIONAL ENERGY AGENCY—POSSIBLE COMPENSATION TO OIL PRODUCING PROVINCES IF PRODUCTION CURTAILED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. Will the minister tell us who represented Canada at the meetings of the International Energy Agency which drafted this proposed agreement. Also, as he has sent copies of it to the provinces, has he made any offer to the oil producing provinces relating to any financial compensation they might receive in the event of a serious curtailment in oil production?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the Canadian delegation was led by our ambassador to the OECD, who attended in Brussels after leaving Paris. He was advised by officials of my department and of the National Energy Board. As I said, the definitive text has not yet been received. When it has been it will be sent, of course, to both the consuming and producing provinces. As yet there has been no suggestion of compensation, in that sense, to any province of Canada.

Oral Questions

CONSUMER AFFAIRS

FORBES REPORT ON CONSUMER INTEREST IN MARKETING BOARDS—GOVERNMENT POSITION

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a question to the Minister of Consumer and Corporate Affairs. I congratulate him on his elevation to what seems to be a portfolio with a high rate of mortality. What action has the government taken or will it take on the recommendations contained in the Forbes Report on Consumer Interest in Marketing Boards, especially since the government has had that report in its position since last March?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, may I remind the hon. member that what appeared in the papers is only part of a study sponsored by the Canadian Consumer Council. The work carried out by Mr. Forbes deals with only one part of this report. May I therefore ask the hon. member to wait patiently for a few weeks, pending the publication of the full report.

[*English*]

REQUEST FOR TABLING OF FORBES REPORT AND REPORT OF FARM PRODUCTS MARKETING COUNCIL

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. When does the minister propose to table the report, especially since it seems to have been leaked to the press? While I am on my feet, may I ask the minister to use his considerable influence with his colleague, that other great consumer advocate, the Minister of Agriculture, and find out when he will table the report of the Farm Products Marketing Council on marketing boards?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, to answer the first part of the question, I wish to assure the hon. member that the report will be made public as soon as possible. As to the second part of his question, I am convinced that it will be done very shortly.

* * *

[*English*]

EXTERNAL AFFAIRS

POSSIBLE USE OF SURPLUS EGGS TO HELP FEED PEOPLE IN COUNTRIES OF THE THIRD WORLD

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my supplementary question relates to egg marketing boards and is directed to the Secretary of State for External Affairs. Has the minister considered explaining to the ambassadors of third world countries whose people often go to bed hungry that, in Canada, we destroyed millions of eggs which could have been made into protein foods for the people of those countries? At any time in the past has the Minister of Agriculture or his officials communicated with the Secretary of State for External Affairs, to indicate that a surplus of millions of eggs could have been sent overseas to those countries, in the form of high protein food?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the answer is, no.

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LABOUR RELATIONS

GRAIN HANDLERS' STRIKE—COMMUNICATION OF MANAGEMENT OFFER TO UNION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Labour. With regard to the grain handlers' dispute, can the minister say whether a management offer of settlement, delivered to the Department of Labour on September 19, was ever communicated to the union?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, yes, it was.

Mr. Fraser: A supplementary question, Mr. Speaker. Can the minister explain why the head of the union negotiating committee said yesterday in Vancouver that the union had no knowledge of any offer having been made by management?

Mr. Munro (Hamilton East): Mr. Speaker, no, I cannot.

GRAIN HANDLERS' STRIKE—POSITION OF MINISTER ON POSSIBILITY OF SETTLEMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, yesterday the minister was not prepared to indicate if he was optimistic about the settlement of the grain handlers' dispute. Can the minister now advise the House if there are grounds for optimism, or is he prepared to hang his head in defeat as a result of government intervention in this important matter.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as the House Leader indicated yesterday, we shall consider the possibility of legislation, but no definite decision has been made so far as to when we shall propose that legislation.

Mr. Woolliams: How long are you going to wait?

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

Mr. Speaker: The hon. member for Central Nova.

Mr. Alexander: Mr. Speaker, I rise on a point of order. With respect, yesterday I wished to ask a supplementary question but was overlooked, which does not seem possible. With all due respect, and I will sit down after I have said this, members on the front benches have a responsibility. I submit that we ought to be entitled at least to ask a question and a supplementary, in the discharge of our responsibilities.

Mr. Speaker: I am afraid the hon. member is not easy to overlook, not only because he is visible but also because of his stature in this House which has been amply demon-

strated. I have tried to give original questioners the opportunity to pursue their subject with a supplementary question, and, occasionally, second questioners as well, in order that we may run a subject properly to the ground. However, I do not want to stick on one subject for too long, because I do not wish to see others who hope to ask questions denied their opportunity to ask questions. The hon. member for Athabasca.

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MULTICULTURALISM

ALLEGED CHANGE IN GOVERNMENT POLICY—REQUEST FOR ASSURANCE TO MINORITY GROUPS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Prime Minister. In view of the apparent importance the Prime Minister attached to multiculturalism following the 1972 election, as was evidenced by the appointment of a minister to administer that policy, can the Prime Minister explain what factors following the 1974 election led him to dispose not only of the minister but also of the portfolio?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is based on an erroneous premise. A very high level and responsible minister will carry forward the implementation of that important policy.

Mr. Yewchuk: A supplementary question, Mr. Speaker. As it appears clear that the post has been downgraded by this move, will the Prime Minister assure the minority groups of this country that they will not once again be relegated to the role of forgotten people?

Mr. Trudeau: Mr. Speaker, the hon. member is expressing his own opinion about appearances. This government, which brought in that policy, is strongly committed to its implementation.

Mr. Hees: Poor Stanley Haidasz.

* * *

● (1440)

EXTERNAL AFFAIRS

UNITED NATIONS WORLD FOOD CONFERENCE—CANADIAN POSITION—COMPOSITION OF DELEGATION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the dramatic depletion of available world food reserves and a shortfall in world food production resulting in a situation which may lead to international disaster and widespread famine, and in view of Canada's position as a leading food producing and industrial nation, will the minister, either in the course of the Throne Speech debate or in a statement on motions, tell the House what plans the government has to give leadership at the forthcoming United Nations World Food Conference in Rome in November?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will consider the hon. member's request as to whether it would be helpful for me to take part in the debate. I wish to assure him that the government is taking the possibilities open to the world community by this conference very seriously. It is presently preparing the position we will take in an effort to advance the objectives mentioned by the hon. member.

Mr. Brewin: Will the minister state whether he has any plans for strong Canadian representation at this conference in Rome, including members of parliament and representatives of non-governmental agencies?

Mr. MacEachen: Mr. Speaker, the composition of the delegation is presently under consideration. My hon. friend can be assured it will be a very strong delegation. I am considering going myself.

Some hon. Members: Hear, hear!

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TRANSPORT

ALLEGED ACTION OF LAURENTIAN PILOTAGE AUTHORITY CHANGING BASIS FOR PILOT'S CERTIFICATE—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to ask the Minister of Transport whether he has yet set a date for making public the results of an inquiry into actions of the Laurentian Pilotage Authority in proposing to change the basis upon which an individual can hold a pilot's certificate. Does the minister consider this proposed change to be in the interest of safety or efficiency?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this report is on my desk. I am now studying it.

An hon. Member: You study?

Mr. Marchand (Langelier): Yes, I do. You see what it does not to study.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I will be pleased to make public the document as soon as we complete its study.

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[*English*]

CONSUMER AFFAIRS

CONSUMER REPRESENTATION ON MARKETING BOARDS—CONSULTATION WITH ORGANIZATIONS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I wish to direct my question to the Prime Minister. It is based on the September 13 letter to him from the Consumer's Association of Canada. Given the support for consumer representation on CEMA by the Consumer's Association of Canada, the Food Prices Review Board, the Forbes report and at least one of his

cabinet colleagues, can the Prime Minister say what steps are to be taken or are proposed to ensure consumer representation on consumer marketing boards and will the Consumer's Association of Canada be consulted with regard to any such appointments?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a very sound principal and in general terms it has the government's support.

Miss MacDonald (Kingston and the Islands): Can the Prime Minister tell the House when this will be put into action?

Mr. Trudeau: Not at this time, Mr. Speaker.

* * *

SOCIAL SECURITY

SUGGESTED INCREASES IN FAMILY ALLOWANCES AND OLD AGE PENSIONS—GOVERNMENT POSITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the recommendation made to the government a few days ago by the chairman of the Food Prices Review Board to the effect that because of drastic increases in the cost of food there should be immediate increases in family allowances and in old age security, is the government giving consideration to this recommendation?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the hon. member is surely aware that old age security pensions will be raised during October and that family allowances will also be increased as of next January 1, so as to compensate for the rise in the cost of living.

[*English*]

Mr. Knowles (Winnipeg North Centre): Is the minister not aware that what has been recommended is not the regular escalation, but an increase in the basic amounts?

[*Translation*]

Mr. Lalonde: Mr. Speaker, the hon. member has asked if there will be increases in old age pensions and family allowances, and my answer was yes.

[*English*]

Mr. Knowles (Winnipeg North Centre): The answer really was no.

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AGRICULTURE

BEEF CATTLE—PROPOSED UNITED STATES IMPORT QUOTAS—CONSULTATION WITH CANADA

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I have a question for the Minister of Agriculture with regard to the cattle quotas announced in the *Gazette* this morning. In view of today's announcement by United States trade and agricultural administrations that new U.S. cattle quotas will be initiated in retaliation to Canada's new global quotas, has the minister or his officials held recent discussions with United States official relating to U.S. quotas on Canadian cattle?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, our officials have had discussions on this, but I think the Secretary of State for External Affairs has had more direct meetings with United States officials and can probably give a more detailed answer.

Mr. Hargrave: In view of the very real possibility that Canada's calf crop will not find adequate homes in feed lots in western Canada and Ontario and may have to go to the United States, does the minister not feel there should be immediate negotiations to forestall trade wars over quotas with the United States? Does he not agree this is most essential because in any trade war we would be the loser?

Mr. Whelan: Mr. Speaker, we are well aware of what could possibly happen. However, we do not know whether the United States is going to do anything. This is a press report. We do not know what action they will take. We will have to wait and see. There has been discussion. We are also very much aware of representations made to us by western provincial ministers of agriculture and consumer affairs. These will be considered in detail next Monday.

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UNEMPLOYMENT INSURANCE

POSSIBLE ELIMINATION OF MINOR ATTACHMENT PROVISION—GOVERNMENT POSITION

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Is the minister or his department considering eliminating the minor attachment under the Unemployment Insurance Act?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the amendments to the Unemployment Insurance Act which were alluded to in the Speech from the Throne will be placed before the House in due course.

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FINANCE

REASON FOR FAILURE OF CANADA TO PARTICIPATE IN INTERNATIONAL FINANCIAL MEETINGS

Mr. Sinclair Stevens (York-Simcoe): In the absence of the Minister of Finance, I will direct my question to the Prime Minister. In view of the fact the government has expressed its intention to participate in the development of international solutions to world inflation, will the Prime Minister explain why Canada did not wish to attend or was not invited to attend the international finance meetings near Paris in early September and the preliminary International Monetary Fund conference at

Camp David last weekend? Decisions taken at those meetings will have far reaching effects on Canada, one of the world's greatest trading nations.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Group of Five is composed of five representatives, not six, seven or eight. The Minister of Finance of Canada has talked to representatives of four of these nations and I have talked to the Prime Minister of the other. We are being very well informed by these nations.

Mr. Stevens: A supplementary question. Does the Prime Minister believe that Canada's participation in attempts to solve international inflation can best be handled on a second-hand basis, that is that Canada should consult with major powers after agreements have been reached and decisions taken, when our participation at the initial summit meeting itself was vital?

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, it seems that the hon. member is second-handing the question because the minister is now present at these top level meetings in Washington.

Mr. Stevens: After the fact.

* * *

● (1450)

[*Translation*]

AIRPORTS

MIRABEL—MEANS BY WHICH APPOINTMENT OF MANAGER MADE

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

Could he tell the House what were the eligibility criteria for the position of manager of Mirabel Airport and also, could he explain the appointment of a European named Rubin Ginzburg. Could he tell us whether this appointment was made after a competition was held?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I shall inquire about that. If this position comes under the Civil Service Commission, I am sure the appointment was made following a competition.

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EXTERNAL AFFAIRS

GOVERNMENT INTENTIONS CONCERNING ESTABLISHMENT OF LIMITS ON CANADIAN WATERS

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Norway intends to establish its territorial limits at 50 miles in 1975. Does Canada intend to give notice to the North Atlantic countries that in 1975 it will establish the limit of its territorial waters to 100 or 200 miles, or will it wait for the results of the second conference on the law of the sea which is to be held in Geneva in 1975?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the action to which my hon. friend refers is proposed, as I understand it, for 1975 or later. I believe that the reports that I have read are somewhat vague as to when such action might be contemplated. In the case of Canada, it is not the intention of the Canadian government to take unilateral action in present circumstances, particularly in view of the substantial progress that was made at the Law of the Sea Conference in reaching the objectives of the coastal states, including Canada, and because the conference itself will be resumed in the spring, at which time it is expected that further progress will be made.

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REGIONAL ECONOMIC EXPANSION

STUDY OF SITE FOR STEEL MAKING COMPLEX ON EAST COAST—POSSIBILITY OF PUBLICATION—SECOND STUDY BY DEPARTMENT OF SUPPLY AND SERVICES

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In the closing days of the last parliament the minister commissioned a study to examine the question of the new steel making complex on the east coast, the question of sites and so on. I wonder whether the minister would advise if the study has been officially completed, whether it is being made public or is going to be made public, and whether another study has been commissioned by the Department of Supply and Services to cover practically the same ground.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, on the question of the study commissioned by DREE, I received a copy this morning but have not yet had a chance to look at it. My disposition is to make it public and I have so stated. The only qualification would be with regard to confidential information provided by private companies on the understanding that the information would not be made public. However, I understand that this will not detract from the usefulness of the study, and as soon as an examination has been completed I will be most pleased to make it available to interested parties.

In reply to the second question, I am not personally aware of any study undertaken by the Department of Supply and Services.

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EXTERNAL AFFAIRS

LAW OF THE SEA CONFERENCE IN CARACAS—REQUEST FOR REPORT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is also addressed to the Secretary of State for External Affairs and is supplementary to that already asked by the hon. member for Gaspé. Because of the great importance of the matter to Canadians in general, whether they are concerned with food, fish, mineral

resources, pollution, defence, or offshore jurisdiction, would the Secretary of State for External Affairs say whether he intends to make a report to the House on the proceedings and outcome of the United Nations conference on the Law of the Sea held in Caracas between June and August of this year?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I appreciate the comments made by the hon. gentleman and I will consider—indeed, I have already considered—the possibility of making a statement either on motions or in one of our debates in the near future. The matter is of great importance to Canada.

* * *

IMMIGRATION

DATE OF PUBLICATION OF GREEN PAPER—POSSIBLE AMENDMENT OF POINTS SYSTEM

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. My question relates to the study presently taking place and the proposed green paper that the minister announced as far back as June 20, 1973 would be tabled in the spring of 1974. In view of the present apprehension faced by many groups very interested in immigration, would the minister tell the House when the green paper will be tabled?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not think I was so precise as to say it would be tabled in the spring; I expressed hope that we would have it by the summer, and this might have been the case but for the election which was concluded in July. I now anticipate being able to present the green paper for public examination perhaps early in the new year. In the meantime I anticipate making an interim statement within the very near future.

Mr. Epp: Mr. Speaker, I have a supplementary question for the minister. In view of the expressed intention of the department to have open consultation with various groups, would the minister indicate whether amended regulations have been sent to departmental officials regarding the so-called points system?

Mr. Andras: Mr. Speaker, it is still our commitment, one that we will honour, to hold consultations regarding the green paper process. I think that at the time I talked about it in the House, and certainly on other occasions, I indicated that there was a continuing responsibility to manage the immigration program in the interim. We will not be doing anything that, in my opinion, will pre-empt discussion of the green paper which is designed or intended to develop long-term immigration policy.

[Mr. Munro (Esquimalt-Saanich).]

ENVIRONMENTAL AFFAIRS

BANNING OF PESTICIDES ALDRIN AND DIELDRIN BY UNITED STATES—POSSIBILITY OF SIMILAR ACTION BY CANADA

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of the Environment, and I congratulate her on her appointment. I am sure members of all parties wish her well.

Some hon. Members: Hear, hear!

Mr. Leggatt: My question is this. In view of the announcement yesterday by the United States environmental protection agency of a ban on the pesticides aldrin and dieldrin, and in view of the evidence presented to that organization, can the minister advise the House whether she intends to take action to prevent the production and distribution of these two chemicals in Canada?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I thank the hon. gentleman for his very kind words and good wishes. As the hon. member knows, the United States makes great use of aldrin and dieldrin for their crops of citrus fruits. We have very little use for these particular pesticides but we are looking into the matter. For the time being we are not contemplating the same kind of action as that taken by the United States.

Mr. Leggatt: A supplementary question, Mr. Speaker. May I ask the minister whether her department has had a chance to review the evidence presented to the United States environmental protection agency which caused it to make this decision, in view of the direct link between human cancer and these two chemicals?

Mrs. Sauvé: This evidence is being reviewed by the Department of National Health and Welfare, and the report they have given us to this time indicates there is no urgency for Canada to introduce this kind of regulation.

* * *

AGRICULTURE

EGGS—TIME WHEN DEPARTMENT LEARNED OF DETERIORATING SITUATION—POSSIBLE CONVERSION TO ANIMAL FEED

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Agriculture and is similar to a question put to him yesterday by the hon. member for Wellington-Grey-Dufferin-Waterloo. Would the minister tell the House how long it was before the public announcement was made that a large number of eggs were about to go bad that the Department of Agriculture or the minister learned of the situation? Secondly, what steps is the minister's department taking to investigate the possibility of some salvage of all or part of these eggs for use as animal supplement feed, thus reducing the $900,000 loss to producers by the destruction of their eggs?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all of the facts and information concerning CEMA will be put before the parliamentary hearing. I could take half an hour or even two hours to explain all

the details to the House. I think it would be irresponsible of me to try to answer this important question shortly on the orders of the day.

Mr. Speaker: The hon. member for Perth-Wilmot may ask a final supplementary.

Mr. Jarvis: Mr. Speaker, I do not want the minister to take half an hour, but would he simply say how much notice he or his department had of the destruction of these eggs before the public was informed through the media?

Mr. Whelan: Mr. Speaker, I cannot tell the hon. member the exact length of time, but I can tell him that the time was very short.

Mr. Speaker: Orders of the day.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Tuesday, October 1, consideration of the motion of Mr. Louis Duclos for an address to His Excellency the Administrator of the Government of Canada in reply to his speech at the opening of the session.

[*Translation*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, as leader of the opposition, I would like first of all to express to His Excellency the Governor General how happy we are to hear that his health is improving rapidly. Please convey to him our best wishes and our sincere hope that he will soon resume his duties.

I also offer my best wishes and congratulations to the hon. member for Montmorency (Mr. Duclos) and the hon. member for Vancouver East (Mr. Lee), both new arrivals on the front-line, who did so well in their respective tasks of moving and seconding the throne speech.

[*English*]

Mr. Speaker, it has been the custom, and one I have followed in the past, to congratulate new and shuffled ministers at the first opportunity in the House. It is a little difficult, however, to simply follow that past pattern on this occasion because some ministers went up, some went down, a few came in and a few went out. It hardly seems fair to extend congratulations where appropriate without also extending some commiseration where that is appropriate. I spent a good deal of time thinking about this, trying to find a succinct and heartfelt phrase to convey my feelings to some of the new ministers and some of the former ministers. Perhaps it will convey the depth of my empathy if I simply put it this way: speaking very personally, we do not all win.

I remember very well, following the election of 1968 when I entered parliament, that I had to contend with the charisma of the Prime Minister (Mr. Trudeau). As we meet this time, sir, a new shooting star is streaking across the firmament, the Minister of Agriculture (Mr. Whelan) who, by his own honest admission, is more popular than ever. In fact, it is very difficult to tell which is going up

faster, the price of food or the minister's popularity. I must concede that the minister has succeeded in doing something that hardly anybody believed was possible. He has made Mrs. Plumptre's organization look useful.

Some hon. Members: Oh, oh!

Mr. Stanfield: The Speech from the Throne contained a good deal of reference to inflation. The government has discovered that inflation is a serious and urgent matter. This must rank almost with Columbus's discovery of America. We are now told that inflation did not recede as expected. I do not know where that expectation existed outside the federal administration. I have to believe it existed there because in Hamilton, on April 25, the Prime Minister was talking about an impatient opposition when he said it did not, and I quote him as reported—

—want to wait the few more weeks or months that will make it evident that we've solved the problem.

More than five months have passed since then, and we are still waiting. A little later the Prime Minister told Canadians that his government was wrestling inflation to the ground. Now we have received the virtual admission that inflation really has a full-nelson grip on the government. It is true that the Prime Minister slipped out of the ring to pursue some other sports, like puck-dropping and trampoline gymnastics, and for a time has probably forgotten about this wrestling. Now we have the impression that the government has called off all this business about wrestling inflation to the ground and has decided, instead, to try to talk inflation into the ground in dialogue with the people of this country.

A few months ago a spokesman for the philosopher kings said inflation was like rain during a vacation. Obviously, sir, they knew a great deal more about vacations at that time, at least, than they knew about inflation. "Don't get excited", the Prime Minister said. At an earlier time he told us inflation was good for the farmers. I think it is a tribute to the intregrity of his administration that during the 1974 election campaign it kept the lid on a public-funded report which said inflation was particularly disastrous for the farmers. That must have been one of those items that ran into the screen which the Prime Minister's office erected for Senator Davey.

It is not my intention this afternoon to re-fight the election campaign piece by piece but I am obliged, through you, Mr. Speaker, to remind the Prime Minister and his friends opposite that this government ran on the theme of leadership. I felt and still feel that the Prime Minister did not offer Canadians leadership in that campaign but that he encouraged the country not to face, rather than to face, the great challenge of the present and that his campaign's objective, in that well-known marketing term, was to sell the sizzle and never talk about the steak.

[*Translation*]

But all that is history now. The government is in office and if it so wishes, it has four years to govern. My party outlined an overall program to fight inflation, but the government sees nothing acceptable in it. In fact, the present paralysis of the government seems to derive for the most part from the fear of an economic recession or an increase in the unemployment rate that would result from its using traditional fiscal and monetary policies to over-

come inflation. I dare remind the government that my party's plan of action against inflation was precisely designed to avoid this pitfall. But the government called it disaster-prone and it is just beginning to see that rampant inflation has already become a disaster for millions of Canadians.

● (1510)

[*English*]

The question now is, not what we would do if we had the responsibility; the government has the responsibility. The question is, what does the government propose to do?

Some hon. Members: Hear, hear!

Mr. Stanfield: What can we look forward to in the way of leadership from the government? The Speech from the Throne contains much talk about leadership but there is absolutely no indication that leadership in fact will be provided. The commencement of this session, opening as it does a new parliament, is an appropriate time for an assessment of our position as a nation. I think it is of some value to all of us to look back on the last few years to see where we have been going. I believe this can be a helpful process in facing up to the dangers which can confront all of us and in helping us to establish goals to be achieved during the life of this parliament. Certainly this involves the control of inflation, but much more as well.

When I entered parliament in the fall of 1967 there was an atmosphere of great confidence, great expectation across this country. I do not think this was entirely attributable to my arrival on the federal scene. The whole country was aware of the spirit of 1967, our centennial as a nation, the year of Expo '67. In the following year we saw the launching of the just society in an election campaign, as a keynote for the opening of the twenty-eighth parliament and indeed as a keynote for the whole of the twenty-eighth parliament. In starting this thirtieth parliament we must ask ourselves what has been accomplished in the first few years of Canada's second century since 1967. Are we any closer to a just society today than we were in 1967?

No doubt some members of parliament will use this debate to point to a number of measure designed to eliminate or to reduce some injustices, and quite properly so, but are we really any closer in total to a just society? Have we reduced disparity between individual Canadians? Certainly we have had economic growth, but disparities between individuals in Canada today are greater than they were in 1967. The degree of inflation which we are experiencing, and which we have experienced for some time, in itself increases inequality and social discontent. We have the plight of those millions of Canadians who are not part of big business or big unions and who are not organized in a way to protect themselves.

While inflation may provide fortunes for the powerful, the nimble and the fast-buck operators, there is no way Canadians of modest means can protect even their savings. So they are ravaged by a form of theft which up until now the government largely has been condoning with hand-outs and the application of a few band-aids. So the gap in respect of individual disparity has been widening. The Prime Minister once said that rampant inflation restricts the idea of a just society. I believe he was right. And when he said that, inflation was running at roughly one-third the rate at which it is running at the present time.

But our failures in government are not confined to inflation. Any kind of a just society in Canada should include an overhaul of our welfare system. We are assured that a very comprehensive review is about to bear fruit. If that is true, it will be very welcome news to anyone who wants to see an effective way of helping people in need, at the same time minimizing the stigma attached thereto and preserving incentive and the morale of those affected. In the meantime, the federal government saddled us with changes in our unemployment insurance arrangements which cost contributors and taxpayers over $2 billion in what the government tells us was a good year. Who knows how much this sum will be in a bad year? We may soon find out. There is widespread belief in the country that unemployment insurance is abused, is milked and ripped off. This is damaging to the morale of Canadians and is unfair to those who make legitimate temporary use of the program. The government says there will be amendments. These amendments may be cosmetic, on the one hand, or unfair on the other. We want a review and a full investigation of this program. Such action would clear the air. Then improvements should certainly be undertaken and completed early in the life of this thirtieth parliament.

In six years, what have we accomplished toward easing regional disparity in this country? Much has been spent, but with little resultant narrowing of the gap. There has been no integrated approach toward fighting regional disparity. Transportation remains a mess, and that alone is sufficient to dilute drastically the effectiveness of any regional disparity program. Bad transportation policy and asinine economic policy combined to make the establishment of DREE, in its first half-decade of operation, almost fruitless. DREE seems to be run by improvisation and has accomplished very little. What is worse, because it has accomplished so little it has created a growing feeling in the more prosperous parts of the country that the program is wasting money which should be used to reinforce economic strength where it exists, rather than being haphazardly thrown after bad. The government must get down to business during this parliament and make DREE mean something coherent, so that it can accomplish something that is so important to our confederation and which we all believe to be so worth while.

In 1973 the government met the premiers of the western provinces. Just the other day we received copies of an update from the Prime Minister addressed to Premier Barrett on the event of the recent conference of western premiers. Some of that process is worthy of commendation, which I sincerely extend to the Prime Minister. But why should he, a couple of weeks ago, find it necessary to make some smart-aleck remarks about impotence when there was a call for consultation as the premiers were about to begin their annual national meeting? Perhaps things would go more smoothly if he restricted himself to the written word and tight editing. I do not think it is unfair to say that federal-provincial relations in general have deteriorated since 1967, since the days of co-operative federalism, and that in particular they have reached new heights of tension in the field of resource royalties, taxation and revenue sharing.

If co-operative federalism was at best an imperfect process, its subsequent replacement by confrontation of federalism in this field will be tragic if continued. What has happened to constitutional reform? Federal-provincial priority regarding constitutional reform was set very early during the twenty-eighth parliament. It has been put quite simply: there has been no success in that matter. We remain a sovereign, independent country with no agreed formula for amending our constitution. Today, as we had then, we have the same Prime Minister with some claim to constitutional expertise. So I do not think it is too much to ask for such an agreement, at least on an amendment formula, during the life of this parliament. But there was no mention of this subject in the Speech from the Throne.

● (1520)

Individual economic injustices increase and regional disparities remain as big as they were in 1967, and world disparities also. Back in those heady days of our centennial year we were going to do our part about world disparities, not only in quest of human justice and morality but also in our own self-interest, because these disparities have long been recognized as a threat to world peace. We were then dedicated to committing 1 per cent of our gross national product to easing these disparities, but we have not met our commitment.

Mr. Sharp: Yes, we met it.

Mr. Stanfield: We are way behind today.

Mr. Sharp: We met it the year before last.

Mr. Stanfield: We are well behind in our commitment. We have not met our commitment in that regard. We had the recent warnings of the World Bank and others as to the inadequacy of the existing development plans. We hear news of mass starvation and the threat of war. At the same time, we see in the House the government's casual attitude toward rotting eggs and we hear the Minister of Justice (Mr. Lang) muse about a policy to encourage the feeding of grain to livestock so that a product of higher value can be exported, although clearly the same amount of grain would feed more people who are hungry.

Then we heard the remarks attributed to Mr. Head, that we were going into a whole new era of left-wing activist international involvement. I wondered, in the first instance when I heard that, where was the will to keep our commitment to supply food and aid, a commitment we had adopted back at the time of our centennial. I wondered what we were going to supply to the underdeveloped and hungry nations. Would it be philosophy, revolutionary fervour, or handbooks on how to form and develop a just society? My reaction to that kind of puffery was this, sir: let us get off that sort of thing fast, and do something in this parliament more worthy of the spirit of generosity and helpfulness that is in tune with the hearts, minds and spirit of the people of this country.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Prime Minister subsequently said this was fiction. I never really regarded Mr. Head as a master of fiction. In any event, I trusted we would get back on track with our commitment of assistance to those nations which are far less fortunate than we are. References to the just society disappeared from throne speeches with the termination of the twenty-eighth parliament. That is fine; a slogan has only a limited lifetime. But I am concerned, as we begin this thirtieth parliament, that reference to matters of importance and substance have been omitted.

[*Translation*]

The linguistic rights constituted an essential commitment for the government. That concern was clearly stated in the 1968 Speech from the Throne and still recently in the speech preceding this one. The government commitment in this connection read as follows:

> The Government will continue to work in furtherance of the objectives of the Official Languages Act. Further assistance will be offered to the provinces to help ensure that to the extent possible—Canadians can educate their children in the official language of their choice; . . .

However, Mr. Speaker, in the ministerial statement just made to us, the concern over the linguistic rights seems to have vanished. We could think that all problems on this matter are resolved while in fact they are not. The meaning of the Official Languages Act, its aims and its scope are greatly misunderstood, even rejected by many Canadians. This, because the government has not yet explained adequately this policy throughout the country. Indeed, this failure was underlined in the Report by the Commissioner of Official Languages.

And further, the passing of Quebec's Bill 22 goes contrary to the government's policy on official languages, according to which Canadians should be entitled to education in the official language of their choice. Bill 22 at any rate impedes the official policy on bilingualism.

[*English*]

In the circumstances, I have to wonder why the Prime Minister chose these circumstances above all to eliminate the Minister of State for multiculturalism, a matter on which he was questioned a short while ago. I said repeatedly that an initiative to support multiculturalism should have accompanied the launching of the Official Languages Act.

Some hon. Members: Hear, hear!

Mr. Stanfield: Such an initiative would have made that act more acceptable, and certainly would have reduced the feeling among Canadians who are neither British nor French by descent that they were being treated as second-class citizens. The Prime Minister seemed to be a late convert to multiculturalism when he appointed the Minister of State. But why did he eliminate him so quickly after the election? Will not millions of Canadians look at that exercise and be entitled to regard it as an example of cynical political opportunism? Misunderstandings are too easily generated, particularly in a field as sensitive as this. Where they exist, they must be met by some explanation given in a spirit of frankness.

I make a similar plea for frankness, for some explanation, in another important area on which the government expressed itself at the start of earlier parliaments and said nothing about it at the commencement of this parliament. Aside from a reference to royalty payments on reserves, there is no mention in the Speech from the Throne of the government's intentions regarding our native people. The

new Minister of Indian Affairs and Northern Development (Mr. Buchanan), according to press reports, considers the 1969 white paper scrapped. At the moment, then, Canada's Indian population is faced with a vacuum as far as future federal government intentions are concerned. Two days ago a demonstration took place in front of the centre block. Disturbances were extended into the streets. Responsible Indian leadership shunned that operation, agitators took advantage of the demonstration to promote the communist party Marxist-Leninist activities and the whole affair ended up marked by foul language and hooliganism.

● (1530)

This demonstration, and others like it, can only hurt the legitimate cause of all native people in this country. Responsible leaders among the native people who are trying their best to control the impatience which has been magnified by years of dissatisfaction, and indeed hardship, need some public expression by the government to support them.

Some hon. Members: Hear, hear!

Mr. Stanfield: Those who have lost patience and manifested that loss in this demonstration were few in number on Monday, but that number could grow rapidly if it appears the government has lost interest or is too preoccupied with other needs even to include an expression of concern for their interests in the Speech from the Throne. I wish the new minister success in his difficult task. He will find an early opportunity, I trust in this debate, to make up for this omission. We in Canada lost several years as a result of the government's setting false directions in that white paper of 1969—surely one of the most monumental pieces of ineptitude in our recent history. Time is running out. We must make up for lost time, and we must do so during the life of this parliament.

Another area of concern to which we must give attention is the lack of public confidence in politicians and the political process. Since our centennial year we have seen some improvements which should help reduce the suspicions that many Canadians harbour about politicians and about what is often called the political process. With respect to the matter of financing political parties, the new election expenses legislation, for example, requires disclosure of all substantial donations.

[*Translation*]

The right hon. Prime Minister issued certain guidelines to ministers and public servants respecting conflicts of interest. On this matter, I can only repeat what I stated at the time, that they are inadequate and I find unbelievable that the guidelines issued by the Prime Minister on December 18 on disclosure of holdings are not implemented to this day. I feel it would be possible to develop more adequate rules during this legislature. Rules binding ministers, government officials, members of parliament and even hon. senators, if one is to judge by remarks recently attributed to the new government leader (Mr. Perrault) in that place.

[*English*]

Even though we have opened up the affairs of our political parties, excessive secrecy in government continues to breed suspicion. In this House of Commons there is now no way to force information from a minister who does not want to give it. That power disappeared when the right to unlimited debate on estimates was eliminated. When the House could hold up estimates, it could get answers. Now it cannot get answers unless the minister concerned graciously wishes to furnish them.

As the official opposition in this new parliament, we intend to devise and relentlessly pursue means of getting accurate and straightforward information from the ministry. This is absolutely essential in these days of mammoth government which enters daily the lives of our citizens. We intend to be a constructive opposition, but a vigorous one, especially when the rights and paramount obligations of parliament are involved.

Some hon. Members: Hear, hear!

Mr. Stanfield: The existing practices relating to secrecy of government documents are absurd. They operate for the convenience of the government and not for the benefit of our society. We must terminate this business whereby virtually every government document is marked "secret," the only exception perhaps being that absorbent paper which comes in little rolls.

Some hon. Members: Oh, oh!

Mr. Stanfield: The automatic presumption of confidentiality should be reversed and replaced by an information policy which guarantees that all documents and information in the possession of the government are made available to the public, unless they fall within very carefully defined exceptions which are spelled out. These are some of the things we must fight for, in the interests of a free society, during the life of this parliament. The right to information is one of the foundations of a free society. A free society can flourish only within a framework of order, order which is respected, order which is reasonably just, order which permits individuals to fulfil themselves. We do not have that sort of order in Canada today. We do not have the economic stability necessary for such an order. Instead, Mr. Speaker, we have increasing chaos which flows from the inflation that is now rampant in our society. Many individuals have seen the plans of a lifetime completely frustrated. Planning for the future has become virtually impossible for others. The increasing number of disruptions and strikes is a manifestation of loss of order attributable to chaotic inflation, as those who are in a position to do so try to protect themselves and sometimes seem to take advantage of the situation.

Erratic interventions such as those made recently by the Minister of Labour (Mr. Munro), the Minister of Justice, and I think by the Prime Minister himself, in relation to one particular dispute only exacerbate the problem. We just cannot drift along and dialogue, as the Speech from the Throne envisages. This parliament must insist on action as an absolute priority. It is said, it has been said and will be said again, that we are relatively well off, economically, in Canada compared with other countries. Our economy has remained relatively strong because of world demand for the products of western agriculture, something which the government was about to write off about two years ago, and our mining and petroleum

resources which were treated with a great deal of contempt by many Canadians for a long time.

Let us not be under any illusion that we are doing relatively well economically because we have solved the basic problem of manufacturing in Canada, the problem of access to large-scale markets on competitive terms, because we have not. And some apparent success with CANDU is no substitute for an effective and comprehensive science policy, something which we still lack. Relative good fortune, economically, has been ours as a country, largely independently of the policies of the government from 1967 to this time. But this cannot be assumed to go on indefinitely. We must quickly begin to prevent, to fight, to stop the spread of the sickness of disorder in our society which comes from inflation. It is no answer to be told that inflation and resulting injustices and tensions are worse in some other, indeed in most other countries. I say, sir, that we have received a great inheritance in this country. Let us do something with it.

I have heard it said that Canadians complain about inflation but are not willing to do anything about it, that they are not willing to accept the restraint necessary to fight this menace. How do we know that? The government spent a lot of time telling the country that nothing could be done, that inflation was due to factors that we in Canada could not control. This spread and attitude in the country of every man for himself. That is what we have spreading through our society today—every man for himself, and the devil take the hindmost.

● (1540)

I believe, sir, that our democracy is being tested as it has seldom been tested in the past. What is being particularly tested in this circumstance is the competence of our national government to lead. Leadership of the order required to meet the need must have at least three attributes. First, there must be an exhibition of both the will to take the situation seriously and the will to do something about it. Second, there must be the capacity to create stability and throughout the country a climate of confidence in that stability. Third, there must be the ability to inspire self-discipline in the day to day activities of individual Canadians. This individual discipline will not be there unless the leadership of the government demonstrates that it is disciplining its own operations.

We are not simply dealing with something that can be fixed by pulling levers or pushing buttons. We are dealing with a psychological force. The problem must be met in a way that takes that into account. If there is one point that we have tried repeatedly to emphasize to the government over the past two years, this is it. If there is one thing which above all this administration chose to ignore and slough off, this is it. Now we are beginning to hear a different tune. The Prime Minister spoke at the opening session of the Commonwealth Finance Ministers' Conference. He spoke about confidence. He said he hoped the meeting would be marked by a great demonstration of confidence, and went on to say, "It is the essential element in the world economic structure—perhaps the only element in the world monetary system that is of any consequence at all."

How can Canadians have confidence unless there is order and stability? This government has over the course of six years indulged in a welter of so-called tax reform, confused competition policy and bizarre anti-profiteering legislation. It is a government whose only cure for inflation five years ago was unemployment, and whose more recent approach has been to play ostrich. The leader of this government is now cognizant of the problem being serious and is overcome with the importance of confidence. I refer him to his interesting "zap" speech and ask, is the Prime Minister now saying to the country, "Zap, you're confident"?

It is almost five months since we last met in this chamber. Five months ago the previous parliament rejected a budget which did not base itself upon generating confidence. Rather, all too much of it was premised on generating confrontation. Within six weeks, according to the Minister of Finance (Mr. Turner), we will be looking at another budget and we will see whether the Prime Minister, the minister and the government really have learned anything in the interim. I hope they have, sir, because I believe we are on a very dangerous course if they have not.

We are in a period of some sobering problems, and we are in for more difficult days ahead. That is a fact. That is not the simplistic, professional pessimism of those who sit in the official opposition. It is also a fact that the government has not yet come clean with Canadians. I know the Minister of Finance, if he were here, might resent that charge. But he simply cannot defend the integrity of the ministry which he heads. There have been virtually as many different stories, explanations, conflicting advocacies and alibis emanating from cabinet today as there are members in the ministry.

Speaking for his leader and colleagues, the Minister of Finance for almost two years has been offering a one-string bow as the policy to fight inflation—to increase supply. "Increase supply," he said, "and things will improve." Now perhaps we will hear the minister and the Prime Minister tell the House where this policy went to ruin in relation to the quota-setting, marketing and storage of eggs. I have not heard either of them pronounce on that situation.

We need an end to this sort of tragic nonsense. Canada needs leadership. It needs it now, and through the life of this parliament, if we are ever to achieve real justice in our society, justice rooted in order and nurtured by freedom. Democracy is being tested. I believe the tensions associated with inflation and related economic and social disorder and discontent may destroy democracy in some other countries. We must show that our democracy is strong enough, that our sense of citizenship, our sense of community and our democratic institutions are strong enough and responsive enough to control inflation in our country to provide a framework of order in which freedom and justice can flourish. That will take leadership. That is what I demand of this government.

Some hon. Members: Hear, hear!

Mr. Stanfield: It is for this reason, Mr. Speaker, that I move, seconded by the hon. member for Saint-Hyacinthe

(Mr. Wagner), that the following words be added to the Address:

We respectfully suggest to Your Excellency that the failure of your ministers to act resolutely after the election of July 8 last has contributed to the increasing disparity and the social and economic disarray in the country, which require prompt, decisive leadership which is lacking in the Speech from the Throne.

Some hon. Members: Hear, hear!

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, Monday morning the representatives of the various parties pointed out the great qualities of mind and spirit, the courage and firmness that must be shown by the individual holding that high office. This post is surely the most difficult that can be assigned by the House to one of its members and I would like today on behalf of the government and myself to express our gratitude to you for having accepted that burdensome task without which this House could not make any expected progress.

I would also like, Mr. Speaker, to assure the constituents of Sudbury that the great honour bestowed upon them as a result of your appointment will not be prejudicial to the expectations that they can entertain as your constituents; Mr. Speaker, as for the government members, we will do our utmost to support you when you will be trying to meet the wishes and aspirations of your constituents.

I should also like to congratulate the Leader of the Opposition (Mr. Stanfield) for his excellent speech which extended somewhat the electoral campaign but still touched upon several important topics all of which, it is only fair to say, we were unable to deal with in the Speech from the Throne especially, Mr. Speaker, to avoid repeating what we intend to do to ensure the progress of our country, but topics with which I myself intend to deal in the House in the course of my speech today; topics, may I say again, which we agree with him are important and make me realize that indeed the opposition is really very fortunate in having such a leader and that it will be no easy task for the Progressive Conservatives to find within their ranks a man or woman capable of replacing him adequately.

I should like to address a word of congratulations to the electors of Montmorency and Vancouver East for their good judgment in electing two young men who stand out for their competence, their political qualities and their sincerity, and who, as they indicated yesterday in their speeches as movers of the address in reply, certainly represent that new generation of Canadians who expect of Canada and its government actions that are truly worthy of the people.

Naturally, I am most happy, as leader of the Liberal party, to see that such promising young men should have chosen to fight in the ranks of the Liberal party, should have chosen our party as the instrument with which to attempt to build together a better Canada. I am also very happy, as a parliamentarian, to see the House welcome not only the two hon. members I have just mentioned but also, on the other side, the new recruits whose talents will doubtless soon become obvious.

[Mr. Stanfield.]

● (1550)

[*English*]

Apart from my pleasure in being leader of a party, and a parliamentarian, I feel pride as a Canadian in seeing so many men and women of high quality who have chosen to make the considerable sacrifice entailed in setting aside their personal business, private affairs and a large part of their family life in order to seek the high honour of representing their fellow Canadians in this House. Only those who have been elected by their fellow Canadians know the great privilege of serving in this House. Only they realize the awesome extent of the power conferred upon them to legislate on behalf of and to govern their fellow Canadians.

Since 264 of us have been elected, the difficulty lies in defining the ways in which millions of Canadians who are separated by geography, social conditions, race, colour and creed want to be governed by those sitting in this House and in the other place. In this chamber sit 264 people of strong character. Each has his own beliefs, his own interpretation of the voice of the Canadian people, his own desire to fulfil the mandate which he alone can define precisely, because every member received it in his or her constituency.

As a Liberal partisan, it is easy to count numbers and be convinced that in the numbers lies the total message expressed by the Canadian people. The truth is much more elusive. There is more to the message than party standings. In a free society, no majority can rule effectively if it pays no heed to the minority. No majority can give leadership of any value unless it is prepared to listen attentively to the voices of the opposition and try to accommodate its legislation and policies in ways which express the total will of the Canadian people.

● (1600)

Some hon. Members: Hear, hear!

Mr. Trudeau: Nonetheless, as members forming the government party we have to ask ourselves why the people voted as they did, why they decided collectively to give us a second majority; to give us, as it were, a second chance. How can we respond to the wishes of the people? The Leader of the Opposition (Mr. Stanfield) has, for his part, given some of his answers. I must say that he seems to have asked more questions and underlined more problems than he was able to provide answers. The one answer he did give on the problem of inflation was rejected not only by the Canadian people but by many members of his own party.

Some hon. Members: Hear, hear!

Mr. Trudeau: Through the Speech from the Throne and speeches that will be made in the course of this debate by ministers and other members of the government party, we are attempting to give some of the answers, at least for this session. Today I would like to try to describe the larger framework, the one that hopefully will last beyond the first session and carry us further into the life of this parliament. In view of the fact that we were given a mandate which in the normal course of events will last some four years more or less, we have to assume that the

people of Canada do want this government to tackle tasks which are of longer duration than perhaps one or two sessions.

I think it is fair to say that before election day most of the pundits were predicting another minority government. They were writing that, in the midst of anguish and global uncertainty, in a country which very exceptionally gives majority mandates because of the vast cultural and geographic distances which separate us, most predictions were not for a majority government. If the Canadian people, in their collective wisdom, gave one party a majority, I think it is the duty of the leader of that party to try to express some of the larger tasks, some of the unfinished business which could not be properly handled or tackled in parliaments of shorter duration.

It is comforting to me that in his remarks the Leader of the Opposition touched upon several of those larger subjects. He mentioned several of the items of unfinished business which we will attempt to settle in this parliament. It is comforting because the very fact that the opposition has pinpointed them as important gives us on this side great hope that, though we may differ in specific methods of tackling some of those problems, at least our goal will be largely the same, that all the unfinished business which lies before us will be finished, hopefully, by the end of this parliament.

● (1610)

[*Translation*]

The first matter I should like to deal with is that of a major parliamentary reform. Mr. Speaker, it is essential to the survival of democracy and freedom in this country that Parliament remain at the core of this nation. It is therefore necessary for this institution to be able to express the collective will effectively and completely. Far be it from me to equate effectiveness with a certain type of chain production. I should not like the hon. members on this side to think that we wish to increase the powers of the government at the expense of those of the opposition.

On the contrary, we are perfectly aware that a major parliamentary reform is only possible if all hon. members, regardless of party affiliation, are in favour of this reform. The government House leader has already told me that he is heartened by the spirit of co-operation he has found in all members and other House leaders. I do not want to labour the point, but I think it is important to realize that when we compare the Canadian House of Commons with provincial legislative assemblies, we are oftentimes outrun by them because of their ability to pass bills that are generally good much faster than we do. Considering the list of bills introduced in the House last Monday, Mr. Speaker, it is easy to realize that we are again with this good old practice of carrying bills unadopted because of time during one session to the next session or Parliament.

In most departments, I am sure lots of reforms pile up that would be for the advantage of Canadians if only both Houses had time to process those bills. For sure, people looking from the outside get the impression of a Parliament somewhat paralyzed by outdated procedures and antiquated traditions, and of a Parliament that will itself become inefficient and out-of-date if it is satisfied with giving the impression of efficiency instead of realizing it.

The leader of the House, the President of the Privy Council (Mr. Sharp), and myself have discussed many of these things together and I am sure that during this Parliament, and I hope during the first session, there will be a wish on all sides to introduce many of these reforms and I mention a few of them: The first one should certainly be the more rational use of our time, and I do not mean reducing the length of the discussions when we are studying substantial questions, but by reducing it when we are concerned with purely technical questions or minor amendments; when there is a general understanding, we should be able to put our legislation through much faster and not find ourselves having to put off from one session to another bills that should be adopted in a much shorter period of time.

A second subject which, to my way of thinking, deserves more of our attention is that of the time we give to the second reading of bills. When a bill comes back for second reading, according to tradition and the rules, we are supposed to discuss mainly the principle of the bill.

It would seem to me, Mr. Speaker, that a reasonably united and coherent party should be able to give a general opinion for this party on a bill in one, two or three speeches. This should be done in one or two days but unfortunately we often see that second reading lasts for weeks and even months.

This is a reform that our colleagues in Westminster Parliament have adopted some time ago and I for one am somewhat scandalized by the fact that every time we have discussed imitating this practise there are people, especially on the other side of the House, who are ready, if I may quote Montesquieu: to cough and spit like Englishmen but who never want to adopt what good there is in English institutions—

The third subject is a touchy one and pertains to the remarks made by the hon. Leader of the Opposition; it is a subject I would like to say a word about and it is that of the oral question period.

The Leader of the Opposition asked, demanded, rightly so, that the government give better and more appropriate answers to questions put to it.

Mr. Speaker, here also I suggest that the oral questions period become a really serious and productive one, in which the government will do its best to answer questions properly, that it does so following agreements—perhaps following an amendment to the Standing Orders or practices—agreements that would enable the government to know in advance, as it is the usage in the Westminster Parliament, the questions put to it. If questions are asked for technical reasons or to gain debating points, one should not be surprised to see the government reply likewise. But if, indeed, the opposition parties want to obtain proper and precise answers, it seems to me that they could not object too strongly to their giving us notice and allowing us a few days to get the information.

● (1620)

An hon. Member: As it is done for the questions put on the order paper.

Mr. Trudeau: Again, as it is done in the place called the mother of Parliaments, Great Britain. The hon. member

mentions the order paper of the House. Of course, Mr. Speaker, if he looks over his files a little, he will see that in the great majority of cases, around 90 per cent of cases, we give answers—

An hon. Member: Not adequate answers.

Mr. Trudeau: —to questions put on the order paper. Also, as far as supplementary questions are concerned, we are prepared to follow the practice existing at Westminster. This problem of the oral question period is closely related to another question which is still sensitive, that of the roll call which is called in English the roster system. I would be unwise to move back to this system. I would merely like to put before the House and the public opinion a rather simple proposition: there again, if we think that a modern government must be efficient, if we feel that every minister must discharge at the same time several duties, if he must represent his riding properly, if he must be partisan and take care of his party's affairs; if, at the same time, he must administer a department sometimes a major one and take part in the business of the House. If we consider all that, Mr. Speaker, it seems a wastage to require that the entire Cabinet attend constantly every oral question period, because according to the statistics, it is obvious that a third or a quarter of the ministers are asked questions each day.

I think that it should be possible to agree on certain days for debating or asking questions on certain matters and at that time the ministers would be available to answer these questions.

Again, I do not consider this idea to be so revolutionary and I do not understand the opposition's distress. I simply hope that the House leader of the opposition will take these questions into serious consideration and try to give them an answer which, if not ours, will at least be adequate.

There are several matters, Mr. Speaker, that will surely be discussed by the leaders of all parties. I would simply say again that our party is not afraid of the electronic media, that we are ready to accept the broadcasting of House debates.

There are arguments for and against such a reform, but to my mind the decisive argument is the importance of bringing the federal presence and of making the existence of this very Parliament felt in all parts of the country. Canada is such a vast country—a topic to which I will return later on—that too often Canadians are somewhat unaware of what goes on in the House. I believe that television and radio would bring them closer to us for our mutual benefit.

The hon. member for Peace River (Mr. Baldwin) mentioned an electronic machine. I would even accept, if that is what he wants, to introduce an electronic vote device which would eliminate this long process which obliges us to spend a lot of our time doing gymnastics.

Mr. Speaker, I would like to say a word about the Senate. I know that it is not for me to say too much about that subject, but I think that it would not be more than good neighbour policy to suggest that at least a few reforms should be considered, reforms which would in no way interfere with the authority of the provinces, but which could be considered under section 91, subsection (1), of our Constitution. As a matter of fact, I have discussed these reforms with the government leader in the Senate, Mr. Perrault, and I hope that in this area also, this Parliament will accomplish some progress. The two reforms that I have in mind are as follows: First, we should limit the duration of senatorial appointments to a certain number of years, seven, for instance, with the option of reappointing senators when they have well served their country. Secondly, we could follow the example set a long time ago by the British Parliament and give only a suspensive veto to the second House.

Hon. members opposite talk about partisan appointments. This is a serious matter which I have already had the opportunity to discuss several years ago with the authorities of opposition parties, and I had then suggested, and I repeat my suggestion today, that if indeed the senators of the Progressive Conservative party, of the Tory party, who wish to retire from the Upper Chamber, refrain from doing so because they do not want to be replaced by Liberal senators, I repeat what I told several years ago to Senator Flynn who, if I am not mistaken, represents the opposition party in the Senate, that, for my part, I would readily appoint Progressive Conservatives to replace the Progressive Conservatives who voluntarily retire from the Upper Chamber. I am well aware, Mr. Speaker, that some of them accept my suggestion, but there were many more when I first made this offer several years ago, and if the official opposition party continues to act so speedily, they may be even fewer in four years.

It is a humble start but the House will certainly recall that several years ago the government had proposed a much more thorough reform of the Senate which involved provincial participation. But I will not talk about this today. If, in the context of our constitutional reform, we must come back to this subject, the government always has an open mind to discuss this problem.

[*English*]

Another area of unfinished business, and one which is very important for the conduct of this nation, is that of federal-provincial relations. The Leader of the Opposition did deal with that subject. It is certainly one of great importance. One of the notable trends in Canada in the last ten years has been the great increase in the importance of federal-provincial relations. Meetings and discussions at all levels, political and official, have become steadily more frequent. I believe that not a day passes without there being at least one, and sometimes more, meeting of federal and provincial governments or their representatives. It is apparent that this is a trend which will continue, because if our system of government is to be effective at the two levels, federal and provincial, we have to meet the complicated questions which face us in a spirit of understanding and co-operation.

In most of the important areas of government there is no possibility of drawing clear and straight lines dividing purely federal from purely provincial functions. Nor is it realistic to think that action at one level will not have, in very many instances, an important influence on the responsibilities which belong to another level of government. Whether we like it or not, and whether hon. members opposite understand it or not, governments spend a

great deal of time, as we do in cabinet committee, on federal-provincial relations, trying to ensure that the decisions we take which are closely interrelated with provincial problems in their areas of jurisdiction are dealt with in a way which behooves our very complex society. We must recognize that and organize accordingly. That is why several provinces, and I do not know if it is most, have sought to ensure that degree of co-ordination by establishing a department of intergovernmental affairs with a minister at the head of such department.

In our government we established a branch of the Privy Council office to co-ordinate policy under the direction of the Prime Minister. My predecessor and I were of the view that it would not be wise to establish such a department of federal-provincial affairs. It is not feasible to have one minister other than the Prime Minister charged with the final responsibility and authority of co-ordinating the policies and actions that in substance fall within the ambit of one or another ministerial department.

● (1630)

I am satisfied that this decision was right. We have had improved co-ordination of policy and of federal-provincial discussion in recent years. There is obviously much room for improvement. However, I do not think there is a need to change the basic organization. What is needed, in light of the increasing scope and complexity of federal-provincial questions, is a strengthening of the resources which we at the federal level devote to these problems and the negotiations related to them. That is the reason the government decided to create an independent office for federal-provincial relations, to be responsible to the Prime Minister.

This office will be headed at the official level by one of the most senior officers of government, who will be titled "secretary to cabinet for federal-provincial relations" with the rank of deputy minister. The responsibilities will not be substantially different from those of the federal-provincial relations branch of the Privy Council office. Nor will the office be unduly large at the outset. The principal difference will lie in the capacity to maintain relations with regard to federal-provincial policy generally at a more senior level than has been possible thus far.

[*Translation*]

Mr. Speaker, another topic I would like to discuss and which I also find important in the context of our federalism, is to increase the federal presence in a general way across the country. A while ago I referred to the great distances that separate us. Now I say that if we look at the political competition between the federal and the provincial powers, we notice that each time the federal government representatives are penalized, at least as far as their number is concerned, by the provincial representatives. There are almost three times as many provincial members as federal members, there are more than six times as many provincial ministers as federal ministers in our cabinet.

Of course, and I cannot count the politicians working at the municipal level, for every political man and woman in this profession it is desirable to make oneself known, to be seen in the best possible light and because of this competition, it often happens that the federal presence is not really felt as it should be in every part of the country.

Quite often a federal policy is known through the media and by the reactions it causes from provincial governments. Since the country is vast, the distances separating us have prevented us—and I find that a serious matter—from seeing to it that all Canadians never cease to consider Ottawa as the capital of every citizen, as their capital.

We have enacted much legislation in the 28th and 29th Parliaments to increase the influence, the working capacity and the privileges of the hon. members. We shall continue to make progress in that direction but today I would like only to point out how important is this federal presence for the government and tell the House that in our discussions with the provinces we shall put greater emphasis on the principle that moneys coming from the federal tax payer and spent by the federal government on behalf of that tax payer must be recognized as coming from the federal government. I would hope that the various reforms known to this House and which have already been mentioned, like decentralization, keep on making progress, that an organization like Information Canada be entitled to express in an even more real and vigorous way the federal presence throughout Canada. I talked earlier about the advantage of having radio and television broadcasting of the House of Commons debates.

[*English*]

There is another area of business which has remained unfinished ever since we became a country 107 years ago. I was very pleased to note that the Leader of the Opposition gave importance to that fact when he noted that constitutional reform had not yet succeeded in bringing back our constitution to Canada. We were the first portion of the then British empire, after the great revolution which created the United States of America, to establish a constitution which could be the basis for an independent, self-governing country. I say "the basis" because we did not become independent in 1867 in every sense of the word. Among other things, the tutelage of the mother of parliaments was reflected in the fact that we were provided with no way to amend our constitution, as was pointed out by many speakers including the Leader of the Opposition. With all our freedom to choose and all our ingenuity to revise, we have never been able to agree on how to amend our constitution.

Every other country in the world, with no exception, has been able at least to do that. I agree with the Leader of the Opposition that it is a standing reproach to us as Canadians, and particularly to those of us engaged in the activities of politics, that we have so totally failed in this kindergarten, fundamental structure of political independence. I believe it is time we got into grade one. It is time we in this government, in this parliament, decided that we are going to solve that problem before we pass from the scene.

Some hon. Members: Hear, hear!

Mr. Trudeau: I hear some hon. members opposite refer to the Victoria 1970 constitutional conference. I would point out to them that there have been 50 years of effort to achieve what we attempted at Victoria and failed. During nearly half of our national existence—just think of it—we have been trying to solve this problem and have constantly failed. The problem was first fully considered at the

dominion-provincial conference of 1927 where it was agreed that Canada should have the power to amend her own constitution. That was under Mr. King's government. The matter was again studied by parliament in 1931 when it considered the Statute of Westminster under Mr. Bennett's government. In 1935, parliament set up a special committee "to report on the best method by which the BNA Act may be amended". The same year, another dominion-provincial conference set up a continuing committee of attorneys general to prepare a draft of a method of procedure to amend the BNA Act. That committee reported in 1936, but again to no avail.

● (1640)

In 1949, Mr. St. Laurent decided to cut out part of the problem and to introduce the first amendment to the BNA Act, which was passed, to provide certain powers to amend purely federal aspects of the BNA Act. He initiated a federal-provincial constitutional conference which met twice in 1950 but, again, produced no real agreement. Then in January, 1960, the dean of this House, the right hon. member for Prince Albert (Mr. Diefenbaker), when he was prime minister spoke of this matter in the throne speech debate. He expressed the hope "that the time will not be too long delayed when we will be able within our own country to arrive at a basis for the amendment of our own constitution". He set up a conference of attorneys general which took up the matter in 1960 and 1961. Most of the provinces agreed on a formula, but differences of view remained and that exercise failed.

In 1964, Mr. Pearson took up the challenge, and once again progress seemed to be made. The House will recall that the Fulton formula became the Fulton-Favreau formula. There were more conferences, more proceedings, more high hopes, and more failures. In 1968—the Leader of the Opposition reminded us of this—we began a most serious assessment and review of our whole constitution. We had a series of conferences and special committees, which all members of this House will recall, and the culmination was in the Victoria conference in June of 1970 when there was at least agreement by all provinces, all 11 of them, on a procedure for amendment. But in the end, the Victoria charter failed to receive acceptance from Quebec, not because of disagreement with the amending formula but for quite another reason.

I have gone into this history for two reasons; one is to show how long and how hard we have tried to achieve complete agreement for action on the basis of unanimous consent and the other is to show how general has been the agreement by statesmen of all parties and in all parts of the country that the problem of the amending procedure and of bringing back the constitution across the ocean to be domiciled wholly and entirely in Canada is one that should be solved. It is one on which there seems to have been a general will to reach agreement, I repeat, for 50 years.

I can quote something that scholastics used to quote as being a test of a general desire to seek the truth, "*quod ad omnibus, quod ubique, quod semper*". It seems to me that this is something that meets the test. Everywhere, everyone has always wanted to have this done, yet we always seem to have failed. I agree with the Leader of the Opposition and I am very happy to have the support of his party in saying that it is time to decide that this will be done and that we will settle on an amending procedure within four years.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am confident of the support of the party opposite, and I say that I will seek the agreement of all provincial governments in achieving this end with great determination. If no better formula can be found, then we will propose the adoption of the formula which received agreement in 1970 in Victoria. I am confident that the people of Canada will agree with whatever action is required to settle this question once and for all.

[*Translation*]

I should like to address my colleagues from Quebec in a special way, because we know it is often there that the stumbling-block was, in 1970 as well as for the Fulton-Favreau formula. I am convinced this applies also to my colleagues on the other side: some will possibly find unthinkable that we should explain to people in Quebec that all we want is to bring back in Canada our own Constitution. But I think it will be fairly easy to convince them that they no longer need to seek the help of Great Britain, that they no longer need to hide behind Great Britain's skirts when we discuss among ourselves political issues affecting us all.

[*English*]

I want to talk about one more piece of unfinished business, and here too I am very happy that the Leader of the Opposition underlined it as one on which serious action should be taken. It is the question of bilingualism. I was, I admit, surprised to see the Leader of the Opposition wring his hands because we had not mentioned that subject in the Speech from the Throne. He will no doubt recall that when we did mention it in the first Speech from the Throne in the last parliament, members of his party and the New Democratic Party told us that it was much too sensitive a subject to be brought before the House of Commons. Now he is telling us that we should have brought it before the House. I am bringing it before the House of Commons and I hope that here, too, we will agree that it is absolutely vital that we use these four years of reasonably and, hopefully, stable government to establish firmly the federal capital as the capital of all Canadians.

Some hon. Members: Hear, hear!

Mr. Trudeau: To the separatists who argue that that could never be so for a French-speaking Canadian, all parties in this House can respond that the Official Languages Act would make it so. Therein lies an obligation that we all have, a kind of political contract with French-speaking Canadians under which they would reject separatism and the federal parliament would guarantee the right to French Canadians to communicate with and work in the federal administration in the French language. I solemnly believe that if we do not or cannot make that right a reality during the life of this parliament with its commitment to bilingualism, with the very emphatic words of the Leader of the Opposition in his speech an hour ago, with the strong French-speaking representation in government, then it will never be done and separatism

will have proved its point and Canadian unity will cease to have meaning for the majority of Quebeckers.

● (1650)

Mr. Speaker, I will give a straight answer to the question of the Leader of the Opposition: The government maintains strongly as ever its official language policy and will pursue with renewed vigour the basic goal it set for itself when it came into power in 1968, namely to make it possible for all Canadians throughout Canada to deal with their federal government in the official language of their choice.

In that respect, we should be happy about the progress made during these last five years and regret the slowness that still delays the implementation of the law, but I should like, Mr. Speaker, to express my delight to the hon. member for Montmorency (Mr. Duclos) who, in his first speech in the House yesterday, pointed out that bilingualism is one of the main concerns of Quebeckers. He thus expressed a government policy, a policy that we intend to carry successfully during the next four years.

Therefore the Canadian government will continue to promote vigorously the use of the two official languages in its own field and to encourage the provinces to do the same in their fields of jurisdiction.

This government will stand in opposition by all possible means to any legislative or other measures liable to restrict the use, on the part of citizens of the official language of their choice.

Therefore we shall carry on our efforts to remove certains obstacles, for instance those related to the working language, which French-speaking candidates encounter whenever they wish to make a career in the Canadian public service.

Those obstacles, which are too numerous to list in detail, create a serious anomaly in our federalism. French-speaking Canadians, and particularly Quebeckers, are still far from having in our public service a position equal to their number and their ability.

Moreover, they still do not hold the number of high positions to which they would normally be entitled and consistent with their competence, in the best interests of the federal government and the Canadian people. For instance, at the executive level of certain key departments, the French-speaking representation is still under 10 per cent. And in general, very little progress has been accomplished in the use of French as a working language. This is an unfair and therefore unhealthy situation which must be corrected as soon as possible.

We could undoubtedly ramble on about the historic and other causes of this situation, about the procedures and the sharing of responsibilities. But the government of Canada is much more interested in applying the remedies which come under its jurisdiction. We are therefore planning to take the necessary means, of which several have already been implemented, for the representation of French Canadians in the public service to reach as soon as possible, in number and importance, the critical mass required to create an irreversible situation. Once this objective is reached, the French-speaking community of our country will be able to carry on. We will have solved the problem which has concerned us for several generations and Canadian unity will have reached a very important phase.

Mr. Speaker, in so doing, the government was hoping that provincial authorities would follow suit. We were confident that if they did not already do so, they would take it upon themselves to provide their own services in both languages, at the option of their residents.

Yet, even though we have noted some progress in certain provinces, and even in some cases significant progress, we must realise that elsewhere the situation is at a standstill and that, in some areas, regression towards unilingualism is threatening.

In this respect, the legislative measures adopted by Quebec, Bill 22 for example, have not failed to give rise to some concern, not only within Quebec's population but all over the country. This law has been very much discussed and the constitutional orthodoxy of certain articles has been questioned. It is not impossible that some people might want to contest certain articles to check their constitutionality. If that should happen, the courts would have to decide as was done in the case of the federal law on official languages. Anyway, and even though I personally regret the aspects of this legislation which seem to contradict contemporary trends towards more liberty on the subject of language, we should not lose sight of, and I feel that the Leader of the Opposition seems to have done this, that even after the adoption of Bill 22 Quebec is still, among all Canadian provinces, the one which treats the language of the minority on her territory with the most equity, the most liberalism and the greatest generosity. If, Mr. Speaker, the other nine provinces suddenly decided to show the same respect towards their own official language minorities we would witness a miraculous blooming across the whole country. I hope that there is no question of using a law for one's friends and another for one's foes depending on whether one is judging the laws of Quebec and the customs of Quebec as opposed to those of provinces where the majority is English-speaking. The Montreal *Gazette* has understood this and even though it is a newspaper that was not always easy on Bill 22, they published an editorial dated September 23rd last entitled "Making Bill 22 Look Good", and this editorial examined the customs used in Ontario and in Manitoba and concluded in the following way:

[*English*]

Whatever the failings of Quebec's Bill 22, it still preserves a substantial place for English education in the province. Manitoba and Ontario should be prepared to do no less for their French minorities.

[*Translation*]

I dwell somewhat on this subject, Mr. Speaker, because it is important that people throughout this country understand in some way the spirit that prevails in Quebec in this regard. It is obvious, and I said so many times, that if Quebec is not vigorously French-speaking and does not fully participate in the Canadian life as a French-speaking province, the whole country will soon proceed towards English unilingualism, thus destroying one of the characteristics that constitute the richness and originality of this country. And when I am speaking of a vigorously French-speaking Quebec, I do not mean a unilingual Quebec, on the contrary, in the mind of a great number of French-

speaking Quebeckers, the knowledge of English as a second language seems essential to Quebec's and Canada's welfare. But all Canadians, whatever their origin and in whatever part of this country they may live, should understand that the universal use of French in Quebec as a working language and as a cultural instrument, as a recreation and teaching language, is as natural as the universal use of English in British Columbia or in Newfoundland.

● (1700)

We should all be glad that Quebec is using all the means available to it to emphasize its French nature, strengthen its culture and ensure its radiance as long as it always acts with all due respect for minority rights, a respect that has always characterized the Quebec attitude in the past. As I said and I repeat, in a continent threatened by uniformity we should all welcome that effort. There are in us as in all human societies prejudices as tenacious as harmful. Persisting in believing that one is less of a Canadian if one speaks French or that the linguistic dualism and cultural diversity threatens the Canadian integrity is, as I have said, one of the most pernicious prejudices that continue to exist among us, a deplorable relic of past times.

We must get together to wipe out the myth of English unilingualism but we must accept both sides of the linguistic partition, the concrete consequences of linguistic dualism not only tolerated with more or less silent resistance but openly accepted, supported, promoted. It is obvious that the French language spoken by six million people on a continent on which live about 240 million English-speaking people, if it is to survive and expand, must be carefully attended to.

So one should not panic nor be content with a reaction of indifference to the efforts undertaken in Quebec and other French-speaking communities in Canada to promote and develop the use of the French language. For its part, the federal government will continue to do its large share to strengthen the French fact through its legislation, its policy in the area of culture, broadcasting, movies, even immigration.

And it was essential that the government of Canada, aware of its linguistic duality, projected a true picture of what we are, and that is why in the same sense as we maintain privileged relations with Commonwealth countries we wanted under the leadership of the minister seated on my right, the Secretary of State for External Affairs (Mr. MacEachen), we wanted in the same spirit to strengthen the ties that bound us already with French-speaking countries. This thing must go on and we will soon have the opportunity to extend it in a new area. In fact, the satellite Symphony built jointly by France and the Federal Republic of Germany will be launched in December and I intend, during my next visit in Paris, in the next few weeks, to initiate a Canadian participation in the new international cultural exchanges that will be made possible through this instrument.

When the large majority of Canadians will have understood the importance of an active and earnest cooperation in the objectives I have just listed and will have put to silence all the bigots, the province of Quebec will no longer consider itself apart from the rest of Canada. Its own anxieties being removed it will be able to cooperate more fully than ever in building the country we are forming all together.

[*English*]

Mr. Speaker, if I had not moved a motion on Monday to continue this debate until the leaders of all parties be heard, I would not mind pursuing my speech to the bitter end, as it were.

Mr. Dinsdale: "Bitter" is right.

Mr. Trudeau: I think I will—

An hon. Member: Summarize it.

Mr. Trudeau: —summarize it, as the hon. member opposite suggests. I will summarize some of the topics which my ministers and myself will be dealing with in the course of the present session.

I have now spent a great deal of time talking about unfinished business which would probably carry our endeavours over the next few years. I would point out that I think without exception they were suggestions that the Leader of the Opposition reproached us for failing to deal with, so I hope I will not be faulted for having dealt with them at some length in response to his suggestions.

The other subjects are ones which perhaps are not so easily encompassed in a period of four years. They might take less and they might take more, Mr. Speaker. Many of them are not within the control of this parliament alone, and for that reason I will deal with them today. They concern suggestions made by the Leader of the Opposition. Native rights is one, the problems of poverty is another, and the problems of the status of women is yet another. Inflation is another one, Mr. Speaker. There will be other occasions for talk and discussion, and the subject of inflation, which is of very great interest to all members of this House, will be dealt with at some length by the Minister of Finance (Mr. Turner) when he returns from Washington.

For that reason, Mr. Speaker, I will bring these remarks to an end, just using these last few minutes to say that if the Canadian people wanted action in this parliament, they are going to get action.

Some hon. Members: Hear, hear!

Mr. Trudeau: They wanted a government which would face the difficult issues, make decisions and move Canada forward, and they voted Liberal because they knew we would do the job. We did not fight and win an election to come back here to play political games, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Trudeau: There is a French saying which I hope translates well. It goes something like this: one does not cross the Rubicon in order to go fishing. We Liberals have work to do and we are determined to get on with the job. I hope opposition members will share our commitment to action and will not engage in the kind of partisan irrelevancies which cost them countless thousands of votes on July 8. We want the confidence of the people. We are dedicated to the principles of individual freedom and

equality, principles which are basic to Liberal philosophy. This will be a Liberal government on the move.

● (1710)

Some hon. Members: Hear, hear!

Mr. Nowlan: Oh, boy. Who wrote that?

Mr. Trudeau: I commend the Leader of the Opposition on his speech, which was short and to the point. I only regret that, short as his speech was, he took considerable time in licking partisan wounds. The time for action is now. The next four or five years will be years of solid Liberal achievement on behalf of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: At the outset of my speech I invited opposition members to contribute to that achievement with hard work and constructive advice; and, who knows, they might get used to the phenomenon of forward movement and even enjoy the movement.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, before commenting on the dissertations we have heard, I wish to pay tribute to a distinguished Canadian, the present leader of the New Democratic Party, the former member for York South, David Lewis.

Some hon. Members: Hear, hear!

Mr. Broadbent: No man has worked more ably and diligently in this House and outside for the building of an independent Canada in which our citizens can live in social and economic equality. I can think of no higher praise for a Canadian politician. I am sure I speak for all members of this House in wishing him well in his new contribution to Canada as a professor of political science at Carleton University.

It would have been interesting to note the reactions of certain people if they could have been here this afternoon to listen to the Prime Minister's speech. For example, Nero, if he had been here, would have been embarrassed. Professor Laski would have failed the Prime Minister (Mr. Trudeau) as a student, and the Canadian people, if they had all been present, would have been thoroughly disenchanted. Consider the subjects which came before the House in this afternoon's question period. They included the fate of Canada's Indians, 25 per cent of whom live in housing unfit for human beings. Questions were raised about starvation throughout the world. A member of the Conservative party, by way of a question, initially brought attention to the fact that housing starts in Canada, on a yearly basis, have declined by 60,000 units.

A question was asked about the 28 million eggs which, through maladministration, were deliberately allowed to go rotten. It was brought to our attention that milk will increase in price by five cents a quart. This will affect the nutrition of many people, particularly of children whose families are poor. Questions were raised about pensions and about energy. We know that the unemployment rate in Canada is extremely high. According to forecasts, by next spring it may run at about 8 per cent, which will be the highest rate of unemployment Canada has seen in 13 years. We also know that inflation in Canada now runs at 11.5 per cent. All this came before the House. To his immense credit, the Leader of the Opposition (Mr. Stanfield) tried substantially to deal with these subjects. He recognizes that these are the issues which concern the people of our country.

But what did the Prime Minister talk about? He talked about bilingualism, and I agree that that subject is important.

Some hon. Members: Hear, hear!

Mr. Broadbent: Apart from that, what did he say for one hour and ten minutes? In a general way he talked about the theory of democracy. Seriously, if he were a first year student of mine and came forward with such rubbish, I would fail him. Then he talked about parliamentary reform and Senate reform, and gave a general description of dominion-provincial relations. After that he talked about constitutional amendments. He raised five subjects which do not affect even .05 per cent of the people of Canada, and spent one hour and ten minutes lecturing us on them. That was disgraceful.

Some hon. Members: Hear, hear!

Mr. Broadbent: The Prime Minister went to the people of Canada on July 8. In my view, he conveyed the impression that he cared emotionally for the welfare of our people, particularly of working families. He dealt with wage and price controls. I agree with what he said. I think such controls are harmful. I respect the integrity of the Leader of the Opposition. I think his judgment is wrong on that issue, but he argued it with conviction. I also thought the Prime Minister argued out of conviction. It seemed that he was concerned about poverty in our country and about inflation and he wanted to do something about them.

What did we get today? In all seriousness, I think we saw a rerun of a 1968 movie. Compare the speech given to the House after the 1968 election with the one given this afternoon and you will find the same subjects discussed, the same general talk and the same lack of concern about what is bothering people in Vancouver, in St. John's, in the north or on the prairies. The Prime Minister gave us no indication to show that this country's real problems matter very much to him.

I now intend to speculate on where the government intends to go. The speech we heard this afternoon shows the government's general economic philosophy. It shows how it intends to deal with those issues. It is clear from the Speech from the Throne and from two recent speeches delivered by the Minister of Finance (Mr. Turner) that the government intends to deal in the coming months with at least one issue—inflation. It is also clear that it is moving to the kind of deflationary policy which was pursued with disastrous results in the 1969 to 1971 period.

An hon. Member: There is no evidence of that.

Mr. Broadbent: The minister says there is no evidence of that. The allegation is serious and I will try to give my reasons for it.

Mr. Stanfield: There is no evidence of any direction.

Mr. Broadbent: In Vancouver, on September 13, the Minister of Finance asserted that his reaction was one of, and I quote, "deep concern" to the cost increases which he said resulted from collective bargaining. He went on to say:

● (1720)

—we must as a people muster a great deal of self-discipline and self-restraint . . . I hasten to acknowledge that a heavy onus rests on governments to set the example by curbing increases in their own spending.

Three days later, similar sentiments were expressed by the Minister of Finance in a speech he made in Montreal. In the Speech from the Throne we get exactly the same message. I quote from the Speech from the Throne:

For its part, the government will exercise restraint in its own expenditures—

Two paragraphs then follow in the Speech from the Throne about the supposed virtues of general restraints in spending by the government. Just in case anyone should draw the unpleasant but proper conclusion from this, the government quickly covers itself by the following totally misleading suggestion which appears on the next page:

The government does not intend deliberately to generate slack in the economy—

Presumably we are to conclude that if slack, which is really a euphemism for unemployment, occurs as a result of deliberate government restraint policies, the government cannot be held responsible because it did not desire the necessary consequences of its act. This is both absurd and deceptive. We heard it all in 1969 from the Hon. Edgar Benson. In that year the government went in precisely the same direction. It is very important that members of this House and the people of Canada consider in all seriousness the results of that government policy in 1969. Between June, 1969, and June, 1970, unemployment increased from 385,000 to 592,000, an increase of 67 per cent. During the same period, prices continued to increase at a rate only 1 per cent lower than the previous year. There was a reduction of only 1 per cent in the rate of inflation.

The point is clear. In our economy, general fiscal and monetary restraints have no significant effect on prices. However, they do have a direct and profound consequence on the level of unemployment. Textile workers, electricians, plumbers, sales persons, cab drivers, waitresses, all those the government should be concerned about, are affected by that kind of fiscal restraint exercised deliberately by the federal government. Not only are working families affected by such a policy. There is also a cruel redistribution of income which takes place. The rich clearly gain over the poor. Those whose income is made up in large part from interest rates charged to others, naturally benefit from a tightening of the monetary screws. Consider the following figures from that period. Between 1969 and 1971, the share of family income possessed by the bottom 20 per cent of our population, after only two years of the kinds of restraints the government is now talking about, dropped by over $1 billion. I repeat, the share of income of the bottom 20 per cent of our families in that two-year period dropped by over $1 billion. During the same period, the share of family income of the top 20 per cent of our population increased, surprise of surprises, by about $1 billion.

This is a vivid, tragic and sad fact that we must keep in mind. The government in particular must keep this in mind when it embarks upon such a policy. A major redistribution of income takes place and it favours the rich over the poor. Not only are the ordinary people seriously harmed by a deliberate cutback in the economy, but the loss to the economy in the output of goods and services is immense. During the 1969-71 period, it is estimated that more than $6 billion in output was lost. In concrete terms, that meant new housing, hospitals, roads, railway cars and many other essentials simply are not produced because of a cutback policy. For these reasons the New Democratic Party will strongly oppose any move by the government to place the burden of inflation on the backs of the average income earner and the poor. We will do so because it is economically foolish and socially unjust.

In rejecting the traditional Liberal approach to inflation, I want to emphasize that we do so because the intended cure of restraint adversely affects the very groups the government invokes to justify it. That surely has to be the test. It affects the elderly who spend more on food, housing and drugs than is accounted for in the cost of living escalator clauses that we now have. It affects those in Atlantic Canada more than those in Ontario. It affects both organized and unorganized workers. It marginally affects the unorganized workers more than the organized. It affects women more than men because on the average their wages and salaries are lower. Above all, such a policy affects the five million poor in Canada whatever their age, sex, region or occupation.

I want to say something in this context about the trade union movement. There are those who have attacked the New Democratic Party for its alliance with the trade union movement. The fact that 2½ million Canadians have banded together, office by office, factory by factory, to fight collectively for economic security and better working conditions is to be applauded. The fact that our political party, dedicated to the pursuit of equality, allies itself with 2½ million working Canadians is a matter of pride for all New Democrats.

Some hon. Members: Hear, hear!

Mr. Broadbent: The suggestion by the Minister of Finance that trade unions must exercise restraint in their wage demands is, I suggest, totally insupportable. Since they are organized, and hence more visible, Canadians in trade unions have been singled out by the government and urged to hold back on their legitimate claims to a greater share of our gross national product. The fact is that, while unorganized workers suffered a net loss in real income during the past year, organized Canadians during the same time barely maintained their position. The men and women in our trade unions simply are not making great gains at this time. They are barely keeping at, or are just slightly above the cost of living increase.

To ask organized workers to suffer a decline in real income, as the Minister of Finance has asked in recent speeches, is to beg the question of who benefits from such restraint. The suggestion that even the tiniest fraction of these sacrificed earnings would find their way into the

pay cheques of the unorganized, or the social allowances of those in need, or the pension cheques for the aged, is a lie, and a dangerous lie. It is a lie because no mechanism exists in our society to enable such a transfer, and it is a dangerous lie because it sets against one another two groups whose interests are not antagonistic.

● (1730)

I want to make a point with an analogy. The kind of argument one hears from the Minister of Finance, certain editorialists and many other people in the country, is that somehow the interests of the unorganized worker and the interests of the organized worker are antagonistic. Consider the following analogy. Picture a shipwreck. There are people in the water. Some on one side of the ship get together and hold each other up in order to keep afloat. Others on the other side of the ship are struggling individually; one by one they sink below the surface of the water and drown.

Then along comes a yacht. The captain of this yacht—let us call him Trudeau—and the first mate, a man by the name of Turner, see the wreck. On the one side they see individuals bobbing in the water, gradually disappearing beneath it one by one. On the other side of the shipwreck they see a group banded together, and because they have banded together they are managing to stay afloat. The captain and the first mate discuss the situation. One says, "If we take them aboard it will be crowded and things might not be so pleasant".

Mr. Trudeau: Why did you wreck the ship in the first place?

Mr. Broadbent: I will deal with that later. So they discuss the situation and develop a very clever strategy. The captain approaches the ones who have banded together and are managing to keep afloat, and says, "You know, your problem is an international problem and the only way we can save you is to drain the ocean. If we drain the ocean we can save you fellows". While he is talking to the organized ones, the ones who have managed to hold each other up and keep afloat, the first mate of the ship, Mr. Turner, goes over and talks to the ones who are drowning one by one. He says to them, "You know what your problem is. You know what is causing the difficulty you are in. It is the organized guys over there who are holding each other up. They are bouncing up and down so much in the ocean that they are causing you to drown". The unfortunate thing about this is that each having told his respective tale, they return to the captain's cabin and sail off into the distance, leaving all those who were united and those trying to stay afloat individually still floating in the ocean.

My point is that instead of attacking the trade union movement, in the weeks ahead the government should set an example with its own thousands of employees by making sure that future wage settlements are based on real, not current dollars. I might add that it should encourage the private sector to do the same.

Far from harming unorganized workers, many studies both at home and abroad, including the federal government's own Woods report, have shown that trade unions have provided the stimulus for wage increases among the unorganized. An effective wage restraint program in the organized sector—I want to stress this point—would not leave more to go round for others; it would simply lessen the pressure to pay adequate wages to the unorganized workers in Canada. We New Democrats will not support a restraint policy for trade unions because it is both unfair to them and harmful to those Canadians who are not in the trade union movement.

The throne speech makes it clear that the government intends, as I have said, to introduce a program of restraints rather than to meet the real needs of Canadians by constructive, imaginative and positive government action. Just as restraint is wrong and divisive when applied to wages, so too is it wrong when it is applied as a general injunction to government programs. Both Liberals and Conservatives view government spending in itself as inflationary. In my view, such thinking is the inevitable product of a rigid, private enterprise mentality. Such thinking permeates the throne speech, and I am not going to trot out all the examples I could. In the speech, the government states its clear intention to make future cutbacks on its programs.

Government spending is in itself no more nor less inflationary than spending by any other group in the economy. The test is what the money is spent on. In some areas no spending by the government is, in itself, an inflationary act. No other issue as this so clearly defines the difference between our economic philosophy and that of the old parties. It is our opponents who are rigid and inflexible in their thinking, and it is they who feel the need to apologize for any public enterprise. It is precisely this state of mind that causes the government to fail to see that what is now required is not a general withdrawal of government activity but, rather, of specific points in its expansion. Left on its own at this time, the private sector both at home and abroad will not only fail to deal with the twin evils of inflation and unemployment but could lead the world into a depression—and I say this with care and seriousness—of the scale experience in the thirties.

There is not an economist in Canada, the United States or western Europe who does not believe that the economic situation today approaches the seriousness of the situation in 1929. I do not say that they all predict an inevitable recession of the scope of the thirties, but I do say that they see the situation potentially as serious as that. One would never have thought it, having listened to the Prime Minister this afternoon. In the view of most economists, the changes that have taken place in the role of government in the western world since 1929, more than anything else, will likely be that which will enable us to survive, but only if government has the intelligence and will to use the instruments of government with seriousness.

The New Democratic Party has always favoured the strong, positive and flexible use of governmental authority to achieve economic and social justice. In confronting the economic problems facing us this fall, we must use these instruments with vigour and imagination unapproached in recent years, and precisely because of the seriousness of the situation. There is no evidence in the throne speech that the government is at all aware of the need for such imaginative and positive action by the state. They want to relegate the instruments of government to

an insignificant role, in principle to go back to 1929. I do not mean to suggest, of course, that they want to move back to that kind of role for government, but they have the same defensive reaction to imaginative use of government that was set in their minds as a carry over from the 1920s. In my view, this is what is causing the profound inhibition that we find in the cabinet. The selective and strategic use of public investment, public ownership and government expenditure must be at the centre of a national development plan that meets the real needs of the people of this country today.

The level of government spending is only one issue. The question that must also be faced is the allocation of that spending. A number of examples of the need for a shift in government expenditures and of the opportunity for creative public enterprise can be suggested, and I will so suggest now. For example, the 1974-75 estimates reveal that the federal government plans to spend $128 million on 19 office buildings. They intend to spend an additional $403 million to complete those office buildings. These same funds could be used to provide housing for 100,000 Canadians. I suggest that they be transferred to that kind of spending now.

● (1740)

Such a change in government spending priorities would meet a number of needs. First, it would provide housing for those who need it. Second, by increasing the supply, the cost of housing in general would be reduced. Thus, in this particular instance we have illustrated that by spending money in a certain sector we would have a deflationary effect on the economy rather than an inflationary one. Third, by this change thousands of lumber workers currently unemployed in British Columbia, Quebec and New Brunswick would once again gain employment as a result of a resurgence of building in housing.

The issue of housing is one I have spoken about in parliament on a number of occasions. In the context of the current economic situation, however, it is more important than ever before that housing construction not be used as a convenient means of slowing down the economy, which has been the real effect of the high interest rate policy the government has maintained now for many months.

In 1972 the Prime Minister requested that the Economic Council of Canada study the role of the construction industry in the economy. Its report and recommendations were released this year. It recommended that future low-income housing efforts be organized and funded so as to ensure a smooth growth pattern over a period of years. In its recommendations it also stated that low-income housing should not be used as an economic valve, yet that is exactly what is happening in Canada today. It is exactly that which I have opposed in the past in this House as the housing spokesman for my party. Low-income housing starts have declined more drastically in our economy in the past couple of years than the over-all decline in housing. CMHC loans for low-income housing covered 52,000 units in 1970, for example, only 47,000 in 1971 and a mere 34,000 in 1972. The projections for this year indicate that even fewer units for low-income housing will be built.

One of the most cruel acts of the government was to increase, within a month of the election, by 1 per cent or so the interest rate it was charging provincial governments in Canada for mortgage money to construct public housing. This it did after the election, instead of doing the reverse, that is, bringing down the interest rate for the construction of that kind of needed housing. The decline in housing construction in Canada is not merely an example of the unwillingness and inability of the government to view housing as a social priority; the decline in housing starts has also deprived many Canadians of acquiring the most important asset available to them in past generations. For Canadians earning less than $25,000 per year, a house is the most important asset. It is their major source of savings for the future. To allow an absolute decline in housing starts, which is what we are now experiencing at the rate of 60,000 a year, is to allow further concentration of the wealth in the nation where wealth is already concentrated, that is, in the hands of the few. I remind you, Mr. Speaker, of the following statistics.

Mr. Deputy Speaker: Order, please. I regret having to interrupt the hon. member, but pursuant to Standing Order 38 his time has expired. He would be entitled to an extra ten minutes if he has an amendment, and I would hope he would indicate to the Chair whether that is the case. In addition, he could also seek the unanimous consent of the House if he wishes to continue.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. May I say that the Chair was informed that the hon. member for Oshawa-Whitby (Mr. Broadbent) would be moving an amendment. I understood from Mr. Speaker, therefore, that it would not be necessary to interrupt him at this point.

Mr. Deputy Speaker: Order, please. I am very sorry, but the present occupant of the chair was not so informed.

Mr. Broadbent: Mr. Speaker, I remind you that the wealthiest 1 per cent of Canadians now own 12 per cent of all assets in Canada, that the wealthiest 10 per cent own 41.8 per cent of all assets, and that the majority of Canadians, that is about 50 per cent of them, own a mere 6.7 per cent of the wealth. Therefore, if we persist in following what has gone on for the past couple of years, and particularly in the last few months, unless there is a major shift in the production of housing, what we will see, precisely because housing represents the major source of wealth for the majority of people in Canada, is further concentration of wealth in the upper income groups. Surely no democratic society can tolerate that kind of development.

A massive increase, not merely a transfer in housing from one sector of government financing to another, in housing funds is required. In no other area is it so obvious that the multiple objective of meeting social needs, providing jobs, levelling prices and effecting a redistribution of wealth can be achieved only by imaginative and positive government action rather than by general government restraint.

A further example in the same domain, in its vividness that should be very much with us today, concerns the situation of the Indian on the reserve. Last year the Department of Indian Affairs and Northern Development paid $21 million in social assistance payments to Indians who could not work because there was no work available,

yet 25 per cent of Indian families, as I said at the outset, need new housing desperately. The government of Manitoba has shown what can be done. That government started a housing project in Churchill with public money and public initiative. Previously unemployed Indian people learned skills, built houses and received wages, not welfare. This is an example that could be duplicated right across Canada if this government were capable of creative, public initiative. Instead, we will get a continuation of governmental paternalism vis-à-vis our native people.

Many specific steps should be taken to both minimize the effects of inflation and maximize the opportunities for employment. The level of government spending must be increased in certain areas, and the priorities for spending must be changed. In part this is needed to ensure that full employment is established. We must not restrain ourselves into a depression. In part this will be needed to provide the funds necessary to meet pressing needs in energy, transportation and agriculture as well as in housing. The government must take steps to ensure that it has a determining voice in all large investment decisions in the private sector. Concern with the right set of social priorities, for example, would lead to the prohibition of department store chains' decisions to expand in 1975. Despite excess capacity, these department store chains in Canada have embarked on building plans which will use up sufficient resources that might have been used alternatively to build more than 8,000 houses.

In guiding the economy to deal with both inflation and unemployment, the government must intervene not only in the investment but also in the pricing decisions of large corporations. It is at best naive, and at worst dishonest, to continue on the assumption that a mythological entity called the free market will ensure that all prices will be just prices. There is no free market and there are few just prices. The government was willing to intervene one year ago to prevent increases in the price of milk, and then we had a minority government. We learned this afternoon that, no longer under the pressure of losing any votes, it has decided to take off the 5-cent subsidy. A just price would require, as a minimum, the maintenance of that 5-cent subsidy.

A tough excess profits tax must be introduced at the time of the budget. The purpose of this tax will be to ensure that companies, knowing that only profits up to a certain level will be permitted, will decide to moderate their price increases. Through changes in the Canada Pension Plan, the equal rights of women must be recognized. Private pension plans should become schemes of the past. The pensions of men and women should no longer depend on the whims of the stock market, as is the case now, when many people are in danger of facing a decrease in the value of their savings. A substantially altered Canada Pension Plan must offer real security against inflation. The level of pensionable earnings must be substantially increased in order to include the majority of Canadians.

● (1750)

In summing up this part of my speech, I want to stress that we New Democrats do not believe the only economic issue is that of inflation, which seems to be clearly the government's judgment. It is also that of unemployment. As I said earlier, it is forecast that we will reach 8 per cent some time next year, the highest level of unemployment in 13 years. We reject as morally and intellectually wrong any moves in the direction of general restraint in government spending, precisely because it is ineffective in terms of prices and disastrous in terms of both employment and the distribution of income. Our plea to the government is to abandon this course and to pursue a variety of specific measures or some others along the lines I have suggested.

In concluding, I wish to make a couple of general observations about what motivates the members of my party and what underlies the approach we will take to legislation in the coming session. All parties in the House work for what they regard as the general good. Good motivation is not in dispute. Well-motivated members permeate all parties in this House. What is in dispute is the kind of society each of us wants Canada to become.

From the very beginning, democratic socialists in Canada, like our friends throughout the world—including Mr. Palme, who will be here shortly—have sought to work for a society in which all would have full and equal possibility for developing, exercising and enjoying their talents or capacities. More specifically, this has meant working for a basic change in our economy both to achieve independence and to effect a just distribution of its benefits. It has meant leading the battle for the first old age pensions. It has meant being the first to establish medicare. It has meant calling into question the immense power of modern corporations. It has meant standing up for the rights of Japanese Canadians in the 1940s and standing up for those unjustly imprisoned under the War Measures Act in the 1970s.

We make no spurious distinction between economic and civil liberties. None of these positions was popular when first pursued. None was first supported by parties seeking only electoral majorities. It is our commitment to genuine equality that has motivated our past and will determine our future.

Because of what I said earlier, Mr. Speaker, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:
>
> "and we regret in particular the failure of Your Excellency's advisers to make immediate proposals to assist those who are hardest hit by inflation, and also their failure to take immediate steps to increase the production of necessary goods and services and thus reduce the unemployment that so seriously affects the lives of so many people."

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I earnestly thank my colleagues on my right as well as those opposite for their courtesy towards me. I do not intend to defend my case but in the past, during my sixteen years in Parliament, I had the opportunity to see in this House political groups much less numerous than we are but which were really recognized. For instance, in 1946-1947 the Bloc populaire was sitting here in this House. Its leader was Maxime Raymond who was sitting here on my left as well as René Hamel from Shawinigan, both members of the Bloc populaire. Mr. Raymond was always considered as the leader of the Bloc populaire Canadien.

As I mentioned yesterday, I think, Mr. Coldwell was elected along with seven members, and he was always recognized as a party leader. Even before his death, he was recognized as a man of great value.

I should like to thank again the hon. colleagues who recognize me as a leader of the Social Credit party of Canada. It is obvious that I was not elected by Parliament. It is obvious that I was elected by members of my party throughout Canada. It surely does not behove Parliament to say whether the leader of a political group should be its leader. However, the law could have been amended, instead of lowering the number from twelve to ten or eleven, by adding that from now on, a political group of twelve members elected in the House, as long as members are reelected, even though the number would be less than twelve, should continue to be officially recognized as a party. It seems to me that it would eliminate all the big fuss we see these days in the newspapers.

Mr. Speaker, we intend to work not to destroy Parliament, but to abide by the law and to co-operate with all the members whether they are on the government benches or on the other side of the House. We shall work conscientiously, we shall participate in parliamentary business as much as possible in order to be serious men, accepted men, men who participate in the best administration of Canada. That is why my ten colleagues will contribute as well to the effective operation of our Parliament.

Mr. Speaker, I read with attention the two sub-amendments now before the House, and I listened carefully to the speech delivered by the opposition leader (Mr. Stanfield) and the right hon. Prime Minister (Mr. Trudeau). I read the Speech from the Throne and I made a great discovery. The Speech from the Throne informs us that there is inflation, as if we did not know it. The Prime Minister barely spoke about inflation this afternoon. He mentioned the word "inflation" only once and he discussed some quite important matters such as bilingualism. I heard him and I greatly appreciate what he said about the recognition of the two official languages in Canada.

There is some room for improvement, as moreover he admitted it, in almost every field, for example in Crown corporations. Some time ago, I took an Air Canada plane on which the stewardesses did not speak a word of French. I would not object if the said lady was called Plamondon or Harris, but I object if she is unilingual. I also noted that a young French Canadian who applies for the job of stewardess at Air Canada is required to be fluent in both official languages when the same is not required from an English-speaking applicant elsewhere than in Quebec. She is required to speak English only and have the qualifications of a stewardess which is fine. However, why have a law for the rich and one for the poor? Why require both languages from the young French Canadian when there is no such requirement for the English-speaking? This is simply to draw the attention of the government on that matter. There are fanatics in Quebec, and in great numbers.

When I see Mr. François Albert Angers on TV, he makes me sick a little. As far as he is concerned, only French should be spoken. I also regretted the introduction of Bill 22 in the Quebec National Assembly. With Canada's official languages act, I think that people in the province of Quebec can very well take care of themselves without Bill 22, which creates more confusion than anything else. It should never have been introduced.

Today, there are fanatics like Angers, not only in Montreal but also in Winnipeg. I just received a letter dated September 30, 1974, the day of the opening of the session. The address, in case anyone would like to write back is as follows:

303-139 Roselyn Road,
Winnipeg, Manitoba
R3L 0G7

● (1800)

[*English*]

Mr. Real Caouette,
House of Commons,
Ottawa.
Dear Sir,

I have just been listening to your speech on the nomination of the new Speaker for the House of Commons.

I regret very much that your speech to your fellow Canadians was given in a language that the vast majority of your listeners could not understand. Perhaps you intended it as a joke!

Yours truly,

(Sgd) G. Christy (Mrs.)

Making a joke of the French language.

[*Translation*]

In French, G. Christie.

Mr. Speaker, people of that kind are harmful to the national unity of Canada. She tells me:

[*English*]

—the vast majority of your listeners could not understand.

[*Translation*]

All she had to do was to do like me. I learned English. To speak, I had to learn it. To understand it, I had to learn it. And I did. And I am happy to know the second official language. Why did she not learn French? She would then not have written such a stupid letter. I hope she reads *Hansard*, because her letter will be published in it.

People say: Oh! in Quebec, you have a bunch of fanatics. All Quebecers are not fanatics. We Social Crediters are not fanatics; we were elected members of Parliament, and we seldom bring up questions of languages among ourselves. Had that lady listened to the French television station in Winnipeg, where the Speech from the Throne was read as it was in the province of Quebec, we would be spared such situations, Mr. Speaker.

The Prime Minister said that we would stress bilingualism even more. This will serve the whole population. When he said that the English-speaking minority in the province of Quebec was perhaps the best treated minority in the whole of Canada, I believe he was absolutely right. The laws and rules in the province of Quebec did not prevent me from learning English. I therefore advise Quebecers to learn the two languages.

In Europe, Czechoslovakia, Yugoslavia, it is not a rare thing to meet people mastering seven or eight languages. It is fascinating how those people speak to each other and go from one language to another. It is a fantastic sight.

In Canada, we have only two official languages, and we spend our time arguing about it.

There is no sense in that. The Prime Minister therefor deserves commendation for his firmness in supporting Canada's two official languages.

Mr. Speaker, this brings me to the Speech from the Throne, which is not a novel thing. The speech proposes to increase production, when it is not possible to sell existing goods. Millions of eggs are destroyed because we have too much, and we hear its said "We did not know"! In other areas, turkeys have been destroyed, not so long ago—25,000 at a time. They are still destroyed. Chickens are destroyed almost all the time. There is horrendous destruction in farm products.

What is the purpose, Mr. Speaker, in increasing production if it cannot be marketed? I quote from the New Democratic Party's amendment:

[*English*]

Steps to increase the production of necessary goods and services in Canada. Our stores are filled to capacity.

[*Translation*]

All our stores are full to capacity. Some industries have closed because of a product surplus. Last year, Mr. Speaker, the hon. Minister of Energy, Mines and Resources (Mr. Macdonald) said: Tighten your belts, there will be a shortage. I was the only one in this House to say to the hon. minister that he was pulling our leg and that there was no oil or gas shortage in Canada. Today, the Golden Eagle Canada Limited which received five to seven million dollars subsidies from the government is laying off 250 employees in its Saint-Romuald plants because the stores are full to capacity. In the United States they speak about reducing the price of gas by 13 cents a gallon because stores are full to capacity. Arabs and Venezuelians have tremendous surpluses and the government has just told us: We have to increase our productivity. We have in the St. Lawrence River oil resources that are undevelopped because we prefer to develop those of the North Pole where it is colder and the guys perspire less.

In the St. Lawrence River? No, it is too near to us. They squander the funds and then they say: it is necessary to increase production. Mr. Speaker, it is not production that we must increase, but the purchasing power of consumers, so that these raises do not enter in the prices of goods. There is no other solution.

At the present time, there are guys all over the country who are running after escalation of wages in line with the increases in the prices of goods; they go on strikes in Montreal, Vancouver, on the Great Lakes, everywhere, to obtain this escalation. They are granted this escalation, which is to the benefit of the provincial and federal governments, because when they get higher wages, these guys must pay higher income taxes. Once the escalation has been granted, the prices of goods are in turn increased in line with the wages. It is like a dog trying to catch its tail. No solution is ever found. This is to the advantage of the government. Inflation is useful to it. If a product sold for $200 was subject to a 10 per cent production tax, that would bring in $20. But if the price is increased to $400, this will yield $40. This is why the government is not speaking too loud against inflation, being merely satisfied with saying that it is unfortunate. But it will impose no control and will accept stiffer interest rates. Soon, the government will have to pay 10 per cent interest when borrowing money. Do you know that when you borrow $100 million at a 10 per cent interest over a 20-year period, it will yield $200 million in interest only. And you still have to reimburse the $100 million you borrowed initially. The government does not talk about that, that is inflation. So inflation must be fought but there is no talk about that and no steps are introduced. In the amendments introduced by the Tories and the NDP there is nothing to fight inflation.

● (1810)

We Social Crediters have a solution that several still find funny, and the majority of Canadians still do not accept it. We saw that at the last election. That does not mean it is wrong. We ask for an income security plan. During the last election campaign the Prime Minister promised a guaranteed annual income, old age security at 60. That was in our program. That is what led me to say at the end of the campaign, I think the Prime Minister is going to vote Social Credit Monday. The actual terms used by Social Crediters!

We proposed and still propose a guaranteed annual income of $1,500 a year payable to all Canadians over the age of 18 whatever their income may be. Those monies should not be taken out of the taxes because that would bring about price increases. We propose benefits of $300 a year for children under 18; additional benefits for the disabled now faced with small, shameful pensions, a supplement of $1,500 a year for a total of $3,000 a year. That is called the threshold of poverty. A spouse would also be given a supplement of $1,000 a year for a combined total of $5,500. Today $5,000 or $5,500 in income allows a couple to live and not only exist, complain, feel dejected. Everybody knows that.

Mr. Speaker, the disabled would get $5,500. A widow or widower with dependent children would receive $3,000 a year. For older citizens 60 or over—I do not know what program the Prime Minister will be introducing—but we recommend for them a supplement of $1,500 a year, and $1,000 a year for the spouse, man or woman, for an amount of $5,500 a year.

Mr. Speaker, in the area of fiscal policies I said earlier that the government is pleased with the increase in prices as well as the increase in the incomes of corporations, big companies and individuals because the higher they are the more the government gets. Social Crediters suggest basic exemptions of $3,000 for single people, $6,000 for a married couple and $500 for each child under 18. The taxation system itself would be simplified. Nowadays, we pay a lot of taxes to everybody, we can't make head or tail of it, we don't know where we are going. Now, that's what the government is saying in the Speech from the Throne, we have lost our reason.

Nobody but the Social Crediters suggests an alternative solution, unless we take the financial decisions to settle the whole problem. That's why we always insist so strongly on the services of the Bank of Canada, which is the Parliament's institution, the country's institution.

I got today another letter, from Roxton Pond (Quebec), which says, and I quote:

Dear Mr. Caouette:

I was listening this morning to radio station CKVL. Someone was speaking of savings bonds at 9¾ interest rate. I can't understand why the government has to borrow money since it has its own central bank and can create money anytime it needs it.

The required money, not for the sake of it, but according to the available production. I quote further:

This seems to me to be nonsensical and at the same time stealing the people. This measure puts the whole country into debt. There is always the interest to be paid to finance people. Why doesn't the government abolish all this interest on created money which should never have seen the day. I think that nothing is more unjust on this earth, that it is exploitation of the worst kind.

Another problem in this country: the unions that will make prices go up.

And I was wondering if you could not convince your colleagues, make them understand, so that once and for all they will set their minds to work for the people and not the financier. Disaster will be upon as sooner or later if nothing changes.

We are very close to disaster, Mr. Speaker, and there is no intention of changing anything. The financial, monetary and fiscal structures are one thing, but they are not the monetary system. Taxation is nothing more than taking money from the pockets of some to put it in those of others. So, instead of helping one get richer, we make him poorer, make poor people out of them both and things get worse. The situation deteriorates from day to day. Production, as I said earlier, is good. The consumers are there, but the distribution to consumers is lacking.

We have therefore been suggesting for many years the granting of a national dividend based upon products surpluses, upon the real gap between products and the purchasing power of today's incomes. This would not be included in prices: it would be a new credit issued by the Bank of Canada. It would restore economic and social order throughout Canada: there would be no more strikes like those we have today; there would be better understanding among human beings. And we, members of Parliament would have done our job, we would have taken our responsibilities in order that Canadians may be pleased with the administration of public affairs.

On motion of Mr. Lefebvre the House adjourned at 6.21 p.m.

HOUSE OF COMMONS

Thursday, October 3, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I have had some informal discussions and I understand there would be agreement to revert to Routine Proceedings at two o'clock today for the purpose of striking standing committees and dealing with procedural matters referring to estimates.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

* * *

INDIAN AFFAIRS

SUGGESTED MINISTERIAL MEETING WITH NATIVE ORGANIZATIONS TO RESOLVE PROBLEMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I rise pursuant to Standing Order 43 to propose a motion on a matter of urgent and pressing necessity. Because of the confusion that now exists in the minds of many Canadians concerning the demonstration on Parliament Hill on Monday last, and because of the publicity accorded the events which is undermining the progress that has been made by the democratically elected native peoples' organizations which represent the vast majority of our native people, I move, seconded by the hon. member for Rocky Mountain (Mr. Clark):

That the House urge the government to initiate an immediate ministerial meeting with leading officials of the democratically elected National Indian Brotherhood and Native Council of Canada to clarify the situation and to demonstrate the government's serious intention to resolve housing and other urgent social and economic problems whose persistence among our native people helped precipitate the unfortunate events which occurred on Parliament Hill on Monday last.

Mr. Speaker: The House has heard the motion being presented pursuant to Standing Order 43 which cannot be received without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent the motion cannot be put.

● (1110)

PARLIAMENT HILL

SUGGESTED APPOINTMENT OF COMMITTEE TO CONSIDER SECURITY MEASURES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I ask for the unanimous consent of the House to propose a motion in a case of urgent and pressing necessity. The use of explosives by criminals and mentally unbalanced persons to achieve their perverted ends of political terrorism, private vengeance or other purpose is increasing. In Canada, as elsewhere, the intended victim is often connected with one of the established institutions of society, such as a court of justice, penitentiary, legislature, or other symbol of government. Not only the intended victim is endangered but no one within that particular institution is safe from the indiscriminate blast of the explosive. I need only refer to the recent incident in the courthouse at Winnipeg.

I move the following motion with particular reference to this institution of parliament:

That Mr. Speaker be authorized to meet with the Speaker of the other chamber to select a committee of both Houses to assist them in recommending to both Houses security measures for the protection of the public, the staff, and members in the parliament buildings and surrounding grounds.

And that Mr. Speaker be authorized to communicate this resolution to the Honourable the Speaker of the Senate.

Mr. Speaker: The House has heard the motion presented pursuant to Standing Order 43. Is there unanimous consent to it?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous agreement, it cannot be presented.

* * *

PHOTOGRAPHIC EQUIPMENT

TABLING OF REPORT OF TARIFF BOARD

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, in accordance with section 6, chapter T-1 of the Revised Statutes, I wish to table a copy in English and French of a report of the Tariff Board in respect of photographic equipment, reference No. 147, together with a transcript of the proceedings on the reference.

This report contains recommendations relating to the tariffs on imported cameras, projectors and other photographic equipment, related accessories and parts. I assure

hon. members that these recommendations will be carefully considered by the government. May I urge any interested parties who wish to comment on this report to do so as soon as possible to the Department of Finance.

* * *

THE BANK ACT

AMENDMENTS TO ALLOW INCORPORATION OF BANKS BY LETTERS PATENT AND HOLDING OF STOCK BY PROVINCIAL GOVERNMENTS

Mr. Sharp (for the Minister of Finance) moved for leave to introduce Bill C-7, to enable banks to be incorporated by letters patent and to enable capital stocks of banks to be held and voted by provincial governments.

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

* * *

PETRO-CANADA ACT

MEASURE TO ESTABLISH CROWN CORPORATION

Mr. Sharp (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-8, to establish a national petroleum company.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

REFERENCE TO CONSULTATION WITH INTERESTED GROUPS ON PROPOSALS TO FIGHT INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister arising out of the indication in the Speech from the Throne that he intended to consult the principal groups in our society with regard to proposals they might make or contributions they might make to defeat inflation. I should like to ask the Prime Minister whether this is simply a question of looking for ideas or whether he and the government are putting proposals of a specific nature before what he refers to as the principal groups in our society?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at this stage I think the best description would be to say that we are exchanging views.

Mr. Stanfield: Mr. Speaker, I do not know whether or not the Prime Minister would like these questions in writing. In the course of exchanging these views, is the government putting specific views before these groups with regard to the defeat of inflation?

[Mr. Drury.]

Mr. Trudeau: Well, Mr. Speaker, if you are exchanging views you are obviously exchanging views on things and that is what we are doing.

Mr. Hees: Is that wrestling inflation to the ground, Pierre? Boy, what a wrestler!

Some hon. Members: Hear, hear!

Mr. Stanfield: A further supplementary, Mr. Speaker. Is the purpose of this exchange of views to just talk about things and not necessarily make specific proposals? Is the purpose of this exercise in leadership to obtain some national consensus on guidelines or what?

An hon. Member: Delay.

Mr. Trudeau: To wrestle inflation to the ground, Mr. Speaker.

Some hon. Members: Hear, hear!

An hon. Member: The old Trudeau is back.

GOVERNMENT GOAL FOR LEVEL OF INFLATION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is supplementary to those of the Leader of the Opposition. Is the Prime Minister now telling this House that the government has no specific goals for the level of inflation this nation ought to have? Does the government have a policy with respect to an effective level of inflation for this country?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

* * *

AGRICULTURE

MILK—GOVERNMENT POSITION ON MAINTENANCE OF SUBSIDY—REQUEST FOR TABLING OF CORRESPONDENCE WITH PROVINCES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Agriculture. Yesterday I asked the minister if the government was reconsidering its decision to cut off the five cents per quart milk subsidy that had been in force. The clearest part of his rather short answer that I heard was, "Where we go from there, Mr. Speaker, I do not know." In the period that has elapsed since, I wonder if the minister has reached a decision and can tell the House whether the federal government intends to maintain the five cent per quart subsidy?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I answered that question earlier and said that our decision was still the one we had made early in the month of August.

Mr. Broadbent: A supplementary question, Mr. Speaker. Since that decision made earlier in August was "no", I assume the minister intends to maintain that position. In view of the opposition he has received to that decision

from some of the premiers, I should like him to follow through on the suggestion that he made yesterday and table all the correspondence on the subject between him or his officials and the provincial governments. I refer in particular to a strong letter from Premier Schreyer which was in direct opposition to the position the minister has taken.

Mr. Whelan: Mr. Speaker, I have no objection to that after following the usual procedure of getting their permission.

* * *

HEALTH

POSSIBLE ACTION TO AID LOW INCOME FAMILIES IN VIEW OF ELIMINATION OF MILK SUBSIDY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. In view of the elimination of the subsidy on milk, what steps does the government propose to take to ensure that Canadian children, especially children of low income families, will not be deprived of this very essential element of their diet?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the hon. member will have to follow the debates during this session to find out which measures will be proposed. I merely wish to remind him that family allowances will be raised next January in line with the increase in the cost of living.

* * *

CONSUMER AFFAIRS

INQUIRY INTO SHORTAGE OF CONSTRUCTION MATERIALS—REQUEST FOR TABLING OF REPORT

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to direct a question to the hon. Minister of Consumer and Corporate Affairs.

Could he advise the House whether an investigation is being or has been carried out to discover the reason behind the shortage in building materials and household appliances which occurred during the summer of 1974 and which is still being felt in some areas?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker.

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

The hon. minister has stated that an investigation has been made. Will he table soon a report concerning this?

Mr. Ouellet: Certainly, Mr. Speaker, if it is indicated.

● (1120)

[*English*]

HOUSE OF COMMONS

SUGGESTED REFORM OF PROCEDURES—GUIDELINES ON ACCESS TO INFORMATION—REQUEST FOR PUBLIC DISCUSSION

Mr. David MacDonald (Egmont): Mr. Speaker, I am not sure whether my question should be directed to the Prime Minister or the government House leader. It has to do both with the comment in the Speech from the Throne about parliamentary reform and the Prime Minister's own comments yesterday afternoon in the Throne Speech debate. My question concerns some items which were not mentioned by the Prime Minister but which are ultimately important to any parliamentary reform. It relates to the business of supply and the control of expenditure of parliament as well as the cold question of access to information referred to by the Leader of the Opposition. Could the Prime Minister or the government House leader indicate whether these will be subjects for discussion when parliament considers these matters. Also, will there be opportunity for well informed members of the general public to make submissions on a matter which is vitally important to members of this institution and, ultimately, to the Canadian people?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, answering the first part of the question, I am convinced that the Leader of the House will be prepared to look at any constructive suggestion made by the opposition and by government supporters for improving procedures of the House. Dealing with the second part, the hon. member will no doubt recall that in the last parliament we tabled guidelines, which we thought were useful ones, which tried to combine the right of parliament and people to know with the right, the necessity, of the government to keep certain types of papers confidential. These guidelines and rules were referred to a committee of the House, which did not report in the last parliament. I hope that it will resume its work in the present parliament.

Mr. MacDonald (Egmont): A supplementary question, Mr. Speaker. Perhaps the Prime Minister will recall that there was not much opportunity either for the committee or the general public to respond to the guidelines which were merely a consolidation of accepted practice, and the practice was not too widely accepted, at that. My supplementary relates to the second part of my question. I asked the Prime Minister if there will be an opportunity for views to be expressed by those who are concerned about the nature of parliamentary reform. Will there be an opportunity for the parliamentary committee to receive such submissions, and will there be full public discussion of the nature and extent of reforms which may take place in the thirtieth parliament?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, may I attempt to answer this part of the question. I have had informal talks with the leaders of the various parties in the House. We decided tentatively that before referring reform to a committee of the House there should be some consensus between the parties on how to deal with these difficult questions. I am sure the hon.

member will agree that this will probably result in greater progress than would otherwise be possible.

* * *

CONFLICT OF INTEREST

DATE OF OPENING TO PUBLIC OF REGISTRY SHOWING FINANCIAL HOLDINGS OF CABINET MINISTERS—REASON FOR DELAY

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Prime Minister. In view of his undertaking to this House on December 18 last that he would soon have open for public inspection the material in a registry being set up to indicate the financial holdings of cabinet ministers of this government, why is that material not open for public inspection today?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is very timely. The hon. member is certainly justified in expressing concern because, for internal purposes, I had given the ministers only until early in the new year to comply with the guidelines. The registry was not ready for operation at the time the work was done by an official in the Privy Council office. However, over the summer arrangements were made, proper staff was found and offices have been allocated. I have been discussing the matter with the Minister of Consumer and Corporate Affairs who will be responsible, not for the application of the guidelines, but for the physical presence of those who will be operating the registry. He told me that November 15 will be the date on which this register will be opened to the public. I assure the hon. member that, internally, compliance with the guidelines was urged on ministers as early as January or March, I believe.

Mr. Lawrence: In view of the fact in other jurisdictions in this country where this registry system has been set up they were able to operate this system within two weeks of the announcement by the leader of whatever government it was, can the Prime Minister indicate why there has been this delay of seven or eight months from the time the undertaking was given in the House.

Mr. Trudeau: Mr. Speaker, there was an election which intervened in the spring. The cabinet was busy—

Mr. Stanfield: Wrestling.

Mr. Trudeau: The Leader of the Opposition says wrestling.

An hon. Member: You still have muscle?

Mr. Trudeau: We still have some muscle left. I should inform the hon. member and the House that the new ministers may not all be able to comply by November 15.

Some hon. Members: Oh, oh!

Mr. Trudeau: That deadline obviously applies to ministers who have been in previous cabinets. I have given a little more time to the new ministers to arrange their affairs in compliance with these guidelines.

[Mr. Sharp.]

INDUSTRY

UNITED AIRCRAFT COMPANY—SUGGESTED TAKE-OVER BY GOVERNMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Prime Minister. In view of the fact the federal government has given grants of over $60 million to the United Aircraft Company and at the same time is proposing to take over de Havilland Aircraft and Canadair, is the government considering taking over the United Aircraft Company which has been on strike in Longueuil for over nine months and is sending a substantial part of work previously done in Canada to its parent company in the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at this stage, all I can say is that I will give the hon. member's question consideration. However, I want to tell him the government has discussed and is concerned with situations, not only that of United Aircraft, but other like situations where control of companies is exercised abroad, sometimes not to the benefit of Canadian workers and the Canadian people.

* * *

MANPOWER

ALLEGATION MONTREAL OFFICE DIRECTING PEOPLE TO UNITED AIRCRAFT TO ACT AS STRIKE BREAKERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a supplementary question to the Minister of Manpower and Immigration. Why are Manpower offices in the Montreal area directing people who are looking for work to the United Aircraft plant in Longueuil? If these people accept this advice which is being given by the department, they will, in fact, be acting as strike breakers.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I appreciate the hon. member's information. I doubt whether it is totally the case. If it is, I will certainly step into the situation because it is not the policy of the government to act as a strike breaker.

* * *

AGRICULTURE

EGGS—TIME WHEN DEPARTMENT LEARNED OF DETERIORATING SITUATION—ACTION TO CORRECT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Minister of Agriculture. It is further to one raised yesterday by the hon. member for Perth-Wilmot. The minister indicated he knew about the destruction of $900,000 worth of eggs shortly before that destruction. Were the minister and his officials aware last spring and early summer that the stockpiling of eggs had reached the point where they had overflowed the storage facilities and had to be stored, among other places, in apple storage facilities? If so, what action was taken by the department to reduce the stockpiling before the eggs became rotten?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it must first be made clear that the Department of Agriculture does not run CEMA.

An hon. Member: CEMA runs the department.

Mr. Whelan: CEMA runs its own business. I will be saying more about this later today.

● (1130)

Mr. Beatty: Can the minister tell us whether he and his officials were aware of the fact that the supply of eggs had exceeded the capacity of the storage facilities and that stocks had to be held in facilities normally used for storing apples? Were they aware that the eggs would probably go bad unless something was done about this situation? This is quite apart from whether or not the hon. gentleman wishes to disavow responsibility for the actions of CEMA.

Mr. Whelan: The reason a public hearing is to be held is so that all the facts can be brought to light. If the hon. member wants a public hearing—and I believe, from what he has told me, that he does—we should see that all the facts are on the record, and not make hit-or-miss statements beforehand.

* * *

EXTERNAL AFFAIRS

EXTENSION OF JURISDICTION OVER COASTAL WATERS—POSSIBILITY OF UNILATERAL ACTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is to the Secretary of State for External Affairs. Since the Law of the Sea Conference refused to accept Canada's position with respect to the conservation and management of our marine resources to the edge of the continental shelf, can the minister tell us what action the government intends to take to protect the fisheries against the plundering which is still continuing on the part of foreign fishing vessels?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The hon. member is not correct in saying no progress was made in terms of a consensus developing about the 200 miles. The Canadian government is still pressing its views within the context of the Law of the Sea Conference.

Mr. Carter: With regard to what the minister has just said, the Law of the Sea Conference brought about no change in the situation. May I direct my question, now, to the Prime Minister? Can the Prime Minister tell us whether it is his intention to honour the commitment made by two of his cabinet ministers during the election campaign to the effect that if necessary Canada would take unilateral action to preserve our marine resources?

Right Hon. P. E. Trudeau (Prime Minister): I would have to check the exact words used by the ministers. I suppose the key words are "if necessary". However, I can assure the hon. member that the position of the government is the one stated by the Secretary of State for External Affairs: it is that we do not contemplate taking any unilateral action. We are seeking to modify the regime of international law by agreement among the nations of the world, and we are hoping to be successful. The hon. member will recall action taken to this end as far back as the legislation concerning pollution in the Arctic. We were in the forefront by assuring, through legislation, that pollution of the seas would not result in detriment to the coastal states, and we shall continue to act in this way, avoiding, in every way we can, appearing to act unilaterally.

Mr. Crouse: Mr. Speaker, a question of privilege arising from the answer which was given a few moments ago by the Prime Minister. Replying to the hon. member for St. John's West he said it was not the intention of the government to take any unilateral action in the area covered by the Law of the Sea Conference. However, according to the *Evening Telegram* of June 24, the Minister of Regional Economic Expansion is reported to have said privately that Canada would act unilaterally to take control of the continental shelf off its coast should the current Law of the Sea Conference negotiations not go mostly our way. In view of that statement, Mr. Speaker, I wonder what is Canada's position on the continental shelf control issue, one which is vitally important to fishermen in Atlantic Canada.

Mr. Speaker: Order. With all due respect to the hon. member, while he may wish to illuminate a difference between statements made or opinions held by one or two of the ministers of the Crown, I seriously doubt whether this raises a question of privilege. It is, of course, a subject upon which a question may legitimately be addressed to the Prime Minister at a suitable opportunity.

* * *

[*Translation*]

POLLUTION

OIL SPILL OFF COAST OF NEW BRUNSWICK—ACTION TAKEN TO ELIMINATE CONTAMINATION

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I should like to put a question to the Minister of Transport.

Can he tell us whether his department took all the steps called for as a result of the unfortunate accident of the *Golden Robin* tanker in which, on September 30 last, roughly one thousand barrels of oil were spilled in the waters of Chaleur Bay polluting not only those waters but also the magnificent beaches of my riding on the Quebec side of the bay, and causing some damage to the fishing equipment?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we have done everything in our power in an effort to limit the disaster. Approximately 35,000 gallons of oil were spilled. At the present time, 13,000 have been absorbed through the different techniques we have developed. We have kept in touch constantly with the people on the site. I believe the fishermen, municipalities and people concerned are aware of what we are doing, and to date everyone seems to be quite pleased with the work that has been done.

[*English*]

TRADE

JAPAN—GOVERNMENT EFFORTS TO INCREASE PERCENTAGE OF CANADIAN MANUFACTURED GOODS EXPORTED

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. In his recent talks with Prime Minister Tanaka of Japan was he able to persuade that gentleman to allow Canada to increase the proportion of its exports to Japan which are manufactured products from the present 1.7 per cent of the total, bearing in mind that more than 70 per cent of Japan's exports to Canada are fully manufactured products and that these, as he knows, are the products which give rise to employment?

Right Hon. P. E. Trudeau (Prime Minister): This is the very essence of a part of our discussions. It is a matter which causes us concern and one which brought this meeting into being. It will be a continuing theme of the discussions between us. Of course, neither the government of Canada nor the government of Japan directly controls all the enterprises within their respective countries and it would be a matter of ensuring that the trade and investment pattern goes in the desired direction. This can only be done by continuous exchanges between the governments, particularly between the ministers of trade and commerce in the two countries.

Mr. Hees: The Prime Minister refuses to answer my question, and it is obvious that nothing has been done in this regard. May I ask him, then, how long is it the intention of the government that Canada should remain a mere hewer of wood and producer of iron ore to feed Japanese factories instead of getting a fair exchange of the trade in fully manufactured products between the two countries?

Mr. Trudeau: Unfortunately, I do not seem to be able to give replies which are satisfactory to the hon. member. I shall attempt to reply to the second question—how long we are to remain hewers of wood. The view of this party is that we are not hewers of wood. That is the view of the hon. gentleman's party, not of ours.

Mr. Hees: When only 1.7 per cent of our exports is in the form of manufactured products?

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

INQUIRY INTO ALLEGED IRREGULAR ACTIONS BY MEMBERS OF FORCE—GOVERNMENT POSITION

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Solicitor General.

Owing to the compromising or at least strongly questionable dealings of some members of the RCMP for some time, can the minister tell us whether he has ordered an inquiry in this connection and what steps he intends to take?

[Mr. Marchand (Minister of Transport).]

[*English*]

Hon. Warren Allmand (Solicitor General): It is difficult to know exactly what incidents the hon. member has in mind. We instituted an inquiry on two matters during the summer. We set up a commission under Justice Marin of the Law Reform Commission to investigate the procedures followed by the RCMP in disciplining members of the force and, in the course of the same inquiry, we are looking into the procedures under which complaints are received from the public and dealt with.

● (1140)

[*Translation*]

Mr. Matte: I should like to put a supplementary question, Mr. Speaker.

In order to inform adequately the people due to the fact that a member of the special antimob squad seems to be responsible for setting a bomb, will the minister undertake a thorough inquiry to discover to what extent the members of the RCMP have acted as agents provocateurs not only in the underworld but more especially within the FLQ from 1963 to 1970?

[*English*]

Mr. Allmand: Mr. Speaker, it is completely against RCMP policy to have its members act as agents provocateurs. In the case referred to by the hon. member the man was dismissed from the force on five different counts. He had the opportunity to appeal his dismissal but did not take advantage of that opportunity within the time allowed.

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TRANSPORT

GOVERNMENT POLICY ON BRANCH LINE ABANDONMENT AND EXPIRATION OF FREEZE ON FREIGHT RATES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, inasmuch as the reference to transportation in the Throne Speech is somewhat vague and broad, I should like to ask what the intention of the government is in respect of future branch line abandonments since the freeze in this regard will expire at the end of this year? Arising from the fact that the across the board freeze on freight rates will also expire soon, is the government establishing any guidelines or have there been any discussions going on with the railway companies for the establishment of fair guidelines in order that the fantastic rate increases predicted will be somewhat tempered?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am not sure but I think it is public knowledge that I will be meeting with the western transportation ministers about October 20 and that these two subjects will be on the agenda. Before making any report to Cabinet I would like to have the opportunity of discussing this with the western ministers in order that we might know exactly what we are going to do in this regard.

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR ADDITIONAL INVESTIGATION OF ALLEGED IRREGULARITIES BY MEMBERS OF THE FORCE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like permission to ask a supplementary question to that directed to the Solicitor General concerning the RCMP. As one who has had such a high regard for the mounted police, as have most Canadians, since the days of the Northwest Mounted Police, and in view of the serious situation revealed by the Samson case and by other recent events that have cast a shadow on this great force which is recognized nationally and internationally, I should like to ask whether the minister would consider appointing another judge to the commission now presided over by Judge Marin, in order to look into these matters which will result in the mounted police losing a portion of its magnificent reputation if they are not faced publicly?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I mentioned earlier, we have now established a five-man commission headed by a judge. The commission is made up of two representatives of the RCMP, one elected by the non-commissioned officers to present their points of view and one representing the administration. The other two members include one appointed by the department and one from the general public. We feel this five-man commission is adequate at the present time, but if further developments occur I will consider the proposal of the right hon. gentleman.

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HEALTH

REQUEST FOR FEDERAL GOVERNMENT SHARING COST OF NURSING HOMES AND HOME CARE—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, in view of the very serious effects of galloping health care costs on the economy, I should like to ask the Minister of National Health and Welfare whether the government is prepared to enter into shared-cost programs with the provinces for nursing homes and home care which would get people out of expensive active treatment beds in hospitals?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would like to point out to the hon. member that the federal government participation in financing these costs would not have the effect of preventing their rise in the health area. As for the federal government participation in general health costs, we made a proposal some years ago regarding a financing formula; this formula did not seem to please all provinces and I am waiting for their reactions as well as new proposals or alternative solutions. We will surely consider these proposals when provinces will want to apply them.

[*English*]

Mr. Rynard: Mr. Speaker, does the minister not realize the difference between the cost of an active treatment bed and a nursing home bed?

[*Translation*]

Mr. Lalonde: Yes, Mr. Speaker, I am very much aware of the costs.

* * *

[*English*]

COMMUNICATIONS

FEDERAL-PROVINCIAL CONFERENCES—POSSIBILITY OF UNILATERAL ACTION—REQUEST FOR TABLING OF CORRESPONDENCE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, in view of the bill given first reading yesterday which will merge some of the functions of the CTC and the CRTC under a new regulatory body, has the minister decided to act unilaterally in this whole field of communications with no further federal-provincial conferences, keeping in mind that the first and only conference was held about a year ago and was to be followed by another one within six months, would the minister indicate—This is the problem, Mr. Speaker, there is no communication.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. There is certainly a problem and it is going to get worse if we do not stick to one question of one minister at a time. Perhaps we could finish this question before we go on to the next one.

Mr. Nowlan: Mr. Speaker, I am wondering whether the minister heard the question.

Mr. Speaker: Perhaps the hon. member would like to repeat his question for the benefit of the minister.

Mr. Nowlan: Yes, Mr. Speaker, and perhaps I should even amplify it for him. In view of the bill yesterday which will merge some of the functions of the CTC and the CRTC under a new regulatory body dealing with communications, has the minister decided not to continue federal-provincial conferences in this field? If that is not the case when is the next conference scheduled, since it was supposed to occur within six months of the first and only conference held last November?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, the hon. member raises two questions that have absolutely no connection. The merging of the two regulating bodies, which the bill presented yesterday seeks to achieve, has absolutely nothing to do with our relations with the provinces. The provinces know that it is an internal reshuffle of regulatory agencies of the federal government. That brings no change whatsoever to the respective authorities nor to the administrative dispositions between the provinces and the federal government as regards the regulation of telecommunications.

As for the second question of the hon. member, I will soon know the results of the conference which the provincial communications ministers held Monday and Tuesday of this week. If the message from the Ontario communications minister who presided over the group confirms some conditions we had expressed to the provinces about hold-

ing a conference this fall, then the date of the conference will be set. We even reserved certain days to make sure that we could hold the conference if the provinces met the conditions we have laid down.

[*English*]

Mr. Nowlan: Mr. Speaker, I thank the minister for that elaborate answer. In order that the House and the country might understand just where the holdups exist and what are the problems and conditions in respect of arranging another conference, will the minister indicate whether he has had communication with the provincial ministers and is he prepared to table those communications? If those communications are not set out in letter form would the minister be prepared to table them at a later date, if and when they take that form?

[*Translation*]

Mr. Pelletier: Yes, Mr. Speaker, there is correspondence and I will be very pleased to table it in the House, obviously with the permission of my correspondents which I will try to get as soon as possible.

● (1150)

[*English*]

THE CANADIAN ECONOMY

METHOD OF CONDUCTING DISCUSSIONS WITH INTERESTED GROUPS ON PROPOSALS TO FIGHT INFLATION—POSSIBLE DATE OF COMPLETION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, relating to the exchange of views that is to take place between this government and the principal groups in our society, could the Prime Minister indicate who will conduct this exchange so far as the government is concerned? Will it be done by himself? How is the exchange to be structured? Will it be informal or will there be some formality about the discussion? Most important of all, when will the process be completed as now envisaged by the government? For example, will it be completed before the budget is presented to the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the questions are quite important. The government has been working on answers to all of them. In other words, the questions involve the type of serious consultations in which particular ministers will be involved, and when and where the groups will conduct the meetings as well as what type of exchanges will take place. I understand the concern of the Leader of the Opposition about this, but for the same reason that we do not judge at this time that it would be useful to have open summits on the subject of inflation it is doubtful that I would want to make progress reports on these matters, what went on at that time or what particulars were involved.

At some stage the debate will have to become public. We have indicated through the Speech from the Throne that there would be a federal-provincial conference early in the new year, and there is no doubt that it will deal with inflation. However, I would not want the Leader of the Opposition to believe that at an early stage, certainly before the budget, we will have made public the details of these consultations.

[Mr. Pelletier (Minister of Communications).]

Mr. Stanfield: I have a supplementary question, Mr. Speaker. I long since gave up any hope of being told anything about what was being discussed. I should like to ask the Prime Minister how long he sees this process continuing. Is this being followed up with a sense of urgency with a view to these discussions being completed prior to the budget or are they to be terminated sometime next year?

Mr. Trudeau: Certainly not before the budget, but unlike the hon. member for Prince Edward-Hastings we have muscle that can endure.

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EXTERNAL AFFAIRS

HONDURAS—POSSIBILITY OF ASSIGNING ANOTHER PLANE TO TRANSPORT RELIEF SUPPLIES

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Secretary of State for External Affairs. Given the buildup of materials in Ontario and across Canada, particularly the nine tons of milk in my riding, I wonder whether the minister is planning to send another plane to Honduras in the very near future.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, as my hon. friend knows the Government of Canada has made a substantial contribution to the relief of the tragic situation in Honduras. Transportation assistance has been provided for the movement of supplies to that country. At the present time a National Defence plane is in Honduras assisting in the movement of suplies within that country. Also at the present time I have under consideration with the officials of CIDA the question of whether it would be appropriate in the circumstances to provide additional transportation for materials which have been generously donated by the Canadian people to assist Hondurians in this crisis.

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LABOUR RELATIONS

STRIKE OF MARINERS ON GREAT LAKES—REQUEST FOR ASSURANCE SETTLEMENT WILL BRING STABILITY TO INDUSTRY

Mr. Paul E. McRae (Fort William): Mr. Speaker, I have a question for the Minister of Labour. In view of the fact that more than twice as much grain passes through the harbour of Thunder Bay as passes through Vancouver, and that virtually no grain has been moved through the harbour for nearly two months, can we have some assurance that yesterday's announced settlement of the marine strike on the Great Lakes will bring some long term labour stability to this industry?

Some hon. Members: Oh, oh!

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. I might say that we are particularly pleased with regard to these two settlements voluntarily arrived at

between the parties. I think they will relieve a great deal of the pressure.

* * *

TRADE

DANGER OF CONFRONTATION BETWEEN OIL PRODUCING AND CONSUMING COUNTRIES—POSSIBILITY OF MEETING OF THE TWO GROUPS IN CANADA

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the Prime Minister. In view of the very dangerous confrontation that is developing between the OPEC or oil producing exporting countries and the currently designed organization of industrial states of Europe, North America and Japan to form an opposition consumers group, would the Prime Minister seriously consider offering Canada as the host country, as both an importer and exporter of oil, to bring these consumers and producers of oil together to set up an international commodity agreement on oil so that we can have a rule of law instead of this dangerous confrontation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is right in talking about the danger of any confrontation developing. He will recall, of course, that the position of the government all through the time of the crisis has been one of trying to avoid that kind of confrontation between the two groups. It still is the policy of the government. As to the suggestion about having the meeting here, I would certainly discuss it with the Secretary of State for External Affairs and the Minister of Energy, Mines and Resources to see whether this is a proposition which could advance the debate. However, I certainly share entirely the hon. member's concern.

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EXTERNAL AFFAIRS

SUGGESTED ADDITIONAL AID TO THIRD WORLD COUNTRIES IN THE FORM OF OIL—GOVERNMENT POSITION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a related question which I should like to direct to the Secretary of State for External Affairs. In view of the tremendous difficulties the world is facing because of this imbalance in respect of oil supplies and so on, would the new Secretary of State for External Affairs seriously consider, since we have not too much grain to give the newly developing countries which are bothered by balance of payment difficulties, adding oil as a new product in our foreign aid program helping the nations and hopefully to encourage other exporting nations into taking similar action and thereby give a new dimension toward helping the third world?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the Canadian effort up to the present has been not inclusive of oil to my knowledge. It has been concentrated on food and fertilizer for which the Canadian government has made a substantial contribution. I will be happy to consider the implications of the hon. member's question because I have not considered it up to the moment.

CANADIAN POSITION ON PROLIFERATION OF NUCLEAR WEAPONS IN VIEW OF ACCEPTANCE OF SUCH WEAPONS FROM UNITED STATES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the minister's recent address to the United Nations in which he expressed concern over the proliferation of nuclear weapons in the world, would the minister advise the House if the long standing government policy of accepting United States nuclear weapons on Canadian soil will now be reviewed?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, that particular aspect was not included in my speech.

Mr. Leggatt: Mr. Speaker, since the reply of the minister was really not an answer I think I am entitled to repeat my question briefly. Does the minister not consider that this long standing position adds to the proliferation of nuclear weapons in the world in terms of this government's policy, and will this government now review its position in terms of accepting nuclear weapons on Canadian soil.

Mr. MacEachen: Well, Mr. Speaker, it would be highly obstinate not to agree to consider this proposal advanced by an hon. member. I will make that commitment, but I do not ask him to hold his breath for an answer at this time.

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INDIAN AFFAIRS

SUGGESTED MINISTERIAL MEETING WITH REPRESENTATIVES OF NATIVE ORGANIZATIONS TO DISCUSS PROBLEMS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development. I should also like to wish him well in his deliberations as he assumes this most sensitive and increasingly crucial portfolio. Could the minister advise the House on whether the government has taken any initiative or any steps to arrange an immediate—and I stress "immediate"—ministerial meeting with representatives of the national native organizations to discuss the urban, social and economic problems which are causing mounting concern and frustration among our native people?

● (1200)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): The answer is no, Mr. Speaker.

Miss MacDonald (Kingston and the Islands): Will the minister undertake to discuss with his cabinet colleagues the arrangement for such a meeting?

Mr. Buchanan: I will be happy to consider that, Mr. Speaker.

Oral Questions

HOUSE OF COMMONS

REFORM OF PROCEDURES—SUGGESTED REFERENCE TO A COMMITTEE—EXAMINATION OF POWER OF PRIME MINISTER'S OFFICE

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question for the Prime Minister is supplementary to the questions asked earlier by the hon. member for Egmont. Does the Prime Minister, as part of the general parliamentary reform, propose to make a reference to a committee which will allow either a standing or special committee of parliament to undertake a complete inquiry into the actual role and powers of the office of the Prime Minister and the Privy Council office, including an examination of the influence on policy matters of Ivan Head, Jack Austin and others who presently operate beyond the official scrutiny of parliament?

Mr. Speaker: The hon. member for Villeneuve.

Mr. Clark (Rocky Mountain): On a point of order—

Mr. Speaker: There being no obligation on a minister to answer an oral question, I do not know how I can allow a supplementary to a question that has not been answered.

Mr. Clark (Rocky Mountain): Mr. Speaker, my point of order is simply that the Prime Minister yesterday proposed to this House a far ranging review of the powers of this House and also proposed to limit the powers of this House, which is certainly a matter of concern to each and every member here. I and other members of the House are simply asking for some elaboration of the context within which he proposes to have this inquiry proceed and I would ask for an answer.

Right Hon. P. E. Trudeau (Prime Minister): One of the proposals I had in mind was that members of the House use the rules for purposes for which they were devised. The hon. member may have a valid point and he may want to express it in debate, but he should know—and if he does not know, he should be told—that a point of order does not allow him to make a speech.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Physician, heal thyself.

Mr. Clark (Rocky Mountain): A supplementary question, Mr. Speaker.

Mr. Speaker: I think we have gone as far as we can on what is essentially not a point of order. The question has been as fully aired as possible, bearing in mind the fact that I have extended the question period for a few minutes to try to accommodate members such as the hon. member who is on his feet.

Mr. Clark (Rocky Mountain): On a point of order, and in the interest of defending the Chair, I would simply like to raise the question of the propriety of the Prime Minister assuming a role regarding what is and what is not a point of order in this House.

Mr. Speaker: Order, please.

[Mr. Buchanan.]

Some hon. Members: Oh, oh!

Mr. Speaker: Order. I do not think we have to get into a controversy on what the answer contains. It is an answer to the question, so be it. I have recognized the hon. member for Villeneuve, and that should be the last question for today.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ALLEGED REFUSAL OF BENEFITS TO CERTAIN PERSONS REGISTERED WITH MANPOWER

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration.

Would he tell us how it is that someone who wishes to prove his availability for work by registering with a Canada Manpower Centre cannot receive unemployment insurance benefits because the Commission considers it to be insufficient proof?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the requirements and obligations of the claimant under the Unemployment Insurance Act are clearly defined. We have augmented the definition of that by the publication of a booklet and in the counselling and interviews with individual claimants. I can only presume, without specific information regarding the particular case to which the hon. member is alluding, that he or she has failed to satisfactorily pursue a job.

Mr. Carter: Mr. Speaker, I rise on a question of privilege along the lines of the question put by my colleague, the hon. member for South Shore (Mr. Crouse) and further to the answer given to a question put by him this morning. My question is for the Prime Minister regarding the Law of the Sea Conference. The hon. member for South Shore brought to the attention of the House the fact that a commitment was made and an undertaking given by certain ministers of the Crown having to do with Canada's position at the Law of the Sea Conference. He asked whether or not we would be prepared to take unilateral action to protect our fish resources. The hon. member read from the St. John's *Evening Telegram* the statement made by the Minister of Regional Economic Expansion (Mr. Jamieson).

I might draw the attention of the House to the statement made by the previous minister of fisheries who in his official capacity as minister of fisheries issued a statement in Halifax which was later reported in the Halifax *Chronicle-Herald* issue of June 15 at which time he made the same undertaking. I might add that at the meeting referred to earlier with the Minister of Regional Economic Expansion the Prime Minister was present, so I do not think he can shake it off and say that he was not aware of the promise made.

This is a very important matter which affects the lives, the livelihood and the future prospects of many thousands of Canadians living on the eastern seaboard and on the

west coast of Canada. I take strong exception to these people being misled, and I might add maybe deliberately misled, by ministers of the Crown who for political purposes or political expediency promised the people of Canada, the people of Newfoundland and people in other parts of Canada that this action would be taken, in the full knowledge that this government would not support the action if Canada's position was not improved at the Law of the Sea Conference.

Mr. Speaker: Order, please. I have allowed both previous members, the hon. member for South Shore and the hon. member for St. John's West (Mr. Carter), some time to express their points of view on this. Earlier I expressed serious reservations regarding whether in fact this was question of privilege.

Mr. Stanfield: It is a question of integrity.

Mr. Speaker: Or it may be a question of debate. In fact, it certainly is a question of debate. It may be the proper subject of questioning of one or the other minister during the time of the question period, but contradictory answers, no matter how clear they may be, are not a matter for the hon. members to expose within the time limits given to them, and certainly when there is a debate in progress during which any subject can be brought forward. I am unable to see any precedent that establishes it as a valid question of privilege.

Mr. Baldwin: On a point of order, Mr. Speaker—

Mr. Jamieson: Mr. Speaker, on a question of privilege—

Some hon. Members: Oh, oh.

Mr. Jamieson: I do not propose to take the time of the House with regard to the substance of what has been discussed this morning; there are other forums for that. If I heard correctly, I have the impression that the hon. member for St. John's West (Mr. Carter) made some reference to being deliberately misled. I suggest that that is not parliamentary, and I feel quite certain that he would not want to make that assertion. I would ask Your Honour's ruling on that point.

Mr. Speaker: I was listening to the hon. member very carefully and, if I recall correctly, I think he said that the House had been misled, perhaps deliberately or accidentally. I did not take it that he had made the direct charge clearly that it was deliberate. In any case, we are on what has been a nonpoint of privilege for some time, and I would be grateful if we could go on to orders of the day.

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● (1210)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, commencing with the usual fraternal and friendly relations of a Thursday afternoon this Thursday morning, I should like to ask the government House leader to tell the House what business it will be engaged in this week and next week, and whether the government has made up its collective mind if the situation in Vancouver is sufficiently serious to warrant interrupting the Throne Speech debate?

Mr. Sharp: Mr. Speaker, the decision was made by the government today to introduce legislation to bring the grain handlers strike on the west coast to an end. Notice will be given tonight of this legislation. I have had some informal discussions about this legislation, and I understand it would suit the convenience of members if the debate were to be called for Monday.

Mr. Baldwin: On the same point, Mr. Speaker, of course the government House leader realizes that this party would be quite prepared to waive reasonable notice because the interval of time which would normally prevail between giving of notice and the commencement of debate is not possible. We have always done that on those rare occasions when the government has overcome its ineptness sufficiently to bring in good legislation. I wonder if the government House leader would try to devise some way, without revealing the actual details of the bill, of making us aware of its general trend? This might facilitate commencement of the debate.

Mr. Sharp: Yes, Mr. Speaker, I would be happy to do so. I am sure we will have the co-operation of all members in dealing with this legislation within a day if possible.

Mr. Benjamin: A point of order, Mr. Speaker. In view of the hopes of the government House leader that the bill will be dealt with in short order, may I ask if it will be possible to make hon. members aware of its contents somewhat in advance of first reading?

An hon. Member: You were asleep, Benjamin.

An hon. Member: That is what he was just asked.

Mr. Sharp: Yes, Mr. Speaker, I will comply with these requests. I think it would facilitate the debate and I am very happy to co-operate.

Mr. Speaker: Orders of the day.

* * *

[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Wednesday, October 2, consideration of the motion of Mr. Louis Duclos for an Address to His Excellency the Administrator of the Government of Canada in reply to his speech at the opening of the session, as well as the amendment introduced by the hon. Mr. Stanfield (p. 42) and the subamendment introduced by Mr. Broadbent (p. 53).

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, transportation problems in Canada remain a present-day issue. There was talk about it during the last election. The Speech from the Throne reflected a large part of the public discussions which took place during the election campaign, and we intend to continue the discussions and implement the proposed measures.

During the summer, Mr. Speaker, I had the opportunity to read perhaps with closer attention the history of Canada as related to the development of railways, and I had the pleasure to read among other things that great book by Pierre Berton the *National Dream*, and *The Last Spike*. And I had never realized, Mr. Speaker, how closely the history of the development of Canada was related to the development of the railways. The whole development of western Canada is interrelated with the development of the railways. Furthermore, if one reads the first debates that followed the creation of this beautiful country that is ours, one realizes that railways were a focal concern of politicians of that time.

Sir John A. Macdonald spent a great deal of his political life trying to solve the railway problem in Canada, or rather build a railway that would link eastern and western Canada. So the problem of transportation is undoubtedly vital to any country but particularly for Canada. Because of the vastness of the Canadian territory, differing areas which are so far apart, it is essential that this country be linked by the best means of transportation known.

So it is not surprising that even in 1974 there is still talk about the transportation policy, new means to link Canadians, setting up faster and easier communications so that our country will be more united.

There is no doubt that the unity of this country is impossible without an excellent transportation system, not only for passengers, but also for goods. Transportation in Canada includes not only railways, but also transportation by bus, by car, by boat, by airplane. This includes airports and seaports, which means that the greater part of Canadian activity is related to the development of our transportation policy.

I am therefore happy, Mr. Speaker, that the government has decided to make a special effort to make the required improvements, and there are many of them. Regardless of any statement that can be made, I am convinced that many things should be changed. I just read the speech that I made last March, Mr. Speaker, and there is not a single sentence in it that needs to be changed, despite any direct or indirect accusation that may have been made. I am not speaking of my friends opposite, but of other people more directly involved in transportation. Transportation is directly related to the public interest. This is why, Mr. Speaker, in my opinion, no individual, no private company should have an advantage over the government in the development of transportation.

I would not want it to be said, Mr. Speaker, that I suggest that the government should acquire all transportation means in Canada; this is not at all what I want. I believe this would be the greatest mistake we could make. There are several other areas where we can invest our money, but I believe that the general transportation policy must be developed by the government and followed by all those who work in the transportation field and who have a right to make a profit in this field as long as their search for profit is in the interest of Canada.

Mr. Speaker, we have already started to make some changes. We have already developed some plans.

[Mr. Marchand (Langelier).]

[*English*]

We signed a bilateral air agreement with the United States. We allocated routes to the carriers.

An hon. Member: Not very well.

Mr. Marchand (Langelier): If ever you want to discuss them I am ready any time. There is an airline in this country which belongs to the citizens of Canada, so if some people on the other side of the House do not like that they should say so publicly. I am sure they are never going to be elected on such a platform.

We have signed this agreement. We have adopted the Darling rates on coastal trade. We have met again and again with the Atlantic provinces on freight rates so that we can develop that part of the country more than it has been in the past. The committee of western ministers on transportation has worked well.

● (1220)

An hon. Member: Who told you that?

Mr. Marchand (Langelier): I think some members on the other side of the House have met those ministers and have seen how seriously they do their work. They are interested in transportation, in the problems of Canada, and not in politicking, as some are.

Mr. Hees: Of course, you never indulge in that, do you?

Mr. Marchand (Langelier): Mr. Speaker, I don't know why some members are not happy when something good happens to Canadians. The ministers are satisfied. We are working together and solving problems. We meet in a cheerful and non-partisan atmosphere.

An hon. Member: Oh, boy!

Mr. Marchand (Langelier): Why is the hon. member so sad about that?

Mr. Hees: You will strain your wrist patting yourself on the back.

Mr. Marchand (Langelier): You are quite an adviser, George.

We are experimenting in Ontario with the Richmond Hill to Toronto commuter train, which is important but only a start. The STOL program, which is being developed rapidly, has become a real success.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): Mr. Speaker, we are seeing a repetition of what happened a few minutes ago. When something works well, members opposite are unhappy. I don't understand.

An hon. Member: Who's unhappy? We are surprised.

Mr. Marchand (Langelier): Are you surprised that it works so well?

An hon. Member: No, that it works at all.

Mr. Marchand (Langelier): This is a very important program.

Mr. MacKay: Mr. Speaker, I sincerely regret interrupting the minister who is making an excellent speech. Will he permit a question now or at the end of his speech about the STOL program?

Mr. Marchand (Langelier): Mr. Speaker, I will answer the question before the hon. member puts it. I think the hon. member wants to know if Mr. Sinclair was right in saying that the STOL program cost $135 million. Mr. Sinclair is wrong. Is the hon. member satisfied? As I said previously, the program cost $25 million. That is the correct figure, and not the one suggested by Mr. Sinclair. I don't know why he said that. Of course, that $25 million figure does not cover everything carried in the budgets of all the different departments concerned.

An hon. Member: What is the total?

Mr. Marchand (Langelier): We are talking about STOL.

An hon. Member: You are stalling.

An hon. Member: You don't know.

Mr. Marchand (Langelier): I do know, but I am not going to mention it, for obvious reasons. I am being perfectly honest. I am telling members the plain truth, but I am not going to reveal all the details. I repeat, the figure of $25 million which I mentioned previously is the right one. If Mr. Sinclair contends the STOL program has cost $135 million, let him prove what he says. I think he is wrong. He should not consider himself as speaking for the government of Canada. He is speaking as a citizen, and that is all. My interest in this is no smaller than his.

We are already on the way to transforming and improving transportation throughout Canada. Here I shall mention the CNR Turbo train which runs between Ottawa and Montreal and Montreal and Toronto. The Canadian Pacific Railway is about to enter into service a train which will be a bit faster. We hope that company will change its policy. Why do I say that? A few years ago everybody in Canada, including the railways, thought we should eliminate passenger trains.

Mr. Benjamin: Not everybody.

Mr. Marchand (Langelier): Everybody thought we should use cars.

Mr. Benjamin: I didn't.

Mr. Marchand (Langelier): People thought that motor cars and airplanes were the vehicles of the future. Now, people notice that this is not so. I do not say cars will disappear from our highways or that aircraft will not fly. I do say that there are plans for improved passenger train service. We want people to be happy to travel by train instead of by car. It should not take two or three hours, as happens now, to go from St. Hyacinthe to Montreal if you leave at nine o'clock in the morning. That is awful! We can do better than that.

The railways have given a commitment to improve services. In the election campaign and in the Speech from the Throne we said that the government intends to create a corporation for operating passenger trains. We still support the idea, as announced by the Prime Minister (Mr. Trudeau) in the west. We are not anxious to do this. It is not our first priority. We will say this to the railways: "You contend you know the business better than we do. Show us how good you are. Demonstrate to us that you can improve the service to a greater extent than we could if we were to create a corporation." We have not abandoned the idea but want to give the railways a chance to show they can do better than we can, as a government. There is no rush to create a corporation, but there is a rush to improve passenger train service.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): Mr. Speaker, when you deal with transportation, it is like being in a restaurant. Some are interested in the food, some in reading the menu and some in changing the cook. I am interested in having good food on the table, that is, in good train service for transporting people and enough cars to carry our goods, so that we can export manufactured products and create good service to our ports. This holds true particularly for Vancouver and some parts of eastern Canada. This is what I am interested in and the government is ready to take all legal and moral measures to achieve this result. We do not want to be unnecessarily doctrinaire. We do not intend to do things just one way and say there is only one way of doing them. There are several ways of doing things. We know that. We are ready to be flexible but we will not be flexible in reaching the objectives defined during the election campaign and the Speech from the Throne.

[*Translation*]

Now, Mr. Speaker, we have a vast country—as is well known and, evidently, I have not discovered it—and some of its regions are isolated. We must therefore find a way to bring these regions closer so as to provide them with communication and transportation facilities in order to allow Canadians to live everywhere on the Canadian territory and not only in Toronto, Montreal, Vancouver or Calgary. Some people are living in the far north, others in remote communities. Ways must be found to enable them to travel fast and in comfort, so that they may thus contemplate living either at the place where they were born or where they have elected to settle down.

But how should it be done? The plane seems to be most appropriate to that end. This means that we will have to launch a program for the development of small airports from which we could reach by air nearly any place in Canada, especially where there is no other available means.

This is another area where improvements are to be introduced, clearly within eventual budget restrictions, because such a program may cost billions. Everything then will depend on the government's general economic policy, the fight against inflation and so on. We will however proceed with all due speed, in order that Canada may have the best transportation system.

We propose to develop navigation in the north because we know natural resources are there and the world will need them. This is common knowledge, after such painful experiences. Why not then give Canada better specializa-

tion in far north shipping? Why not have better ice-breakers, better ice-going ships. All this belongs to us, here in Canada, and we will have to specialize in that field.

We have a program for developing navigation in the north. Speaking of navigation in the north and coastal shipping—that is water transport from one point to another in Canada—it will be done in the future by Canadian ships with Canadian crews. And with our existing lake-going fleet, we already have the elements of a merchant navy large enough for Canada. We will then have to look.

[*English*]

● (1230)

Mr. Forrestall: That is the merchant marine.

Mr. Marchand (Langelier): It is part of the merchant marine. It is not complete because we still do not have ocean going ships. This is something I hope we will have in the future.

There is not only the problem of inter-city communication, but urban transportation. This is in the provincial and municipal field, not the federal field. However, we are ready to co-operate as we are doing with the provinces and municipalities in order to solve this very serious problem of urban transportation. This can only be done through co-operation because we do not have any specific jurisdiction in that field. This is a problem that must be solved because it is becoming more and more impossible to live in certain large cities because of the poor transportation system. We are offering our co-operation to the provinces and the municipalities in order to improve this situation.

We want more information about transportation. We do not have all the information. As hon. members know, private enterprise is involved. There are bus companies, private railways and provincially-owned railways. We will be asking the House to adopt an information act of some kind in order that we may get all the information.

We now have a commitment from the railways that they will supply, at the request of the Canadian Transport Commission, all information that is asked for by the provinces. We were asked for this by the provinces previously, but unfortunately the election prevented us from doing anything about it. The provinces have asked us to amend the Railway Act so that we not only have a promise from one man or one board of directors. The provinces want to have a definite right. If the opposition parties are interested, I think an amendment to the Railway Act can be passed compelling the railways to supply information at the request of the Canadian Transport Commission or the Department of Transport.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): There is also the problem of freight rates. We are still discussing with the western provinces what criteria should be established for freight rates in Canada. Are we going to use the railways as an instrument for regional development? This will have to be defined so we know exactly what we want to do. The railways are costing the Canadian people a lot of money. In the passenger field alone, the cost is $100 million a year.

[Mr. Marchand (Langelier).]

That is a lot of money and I think the government and this House should have some say in this.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): I read this morning that some people contend we do not have to change anything, that everything is O.K. in the transportation act of 1967. However, that is not the way we feel. I regret to say we think it is far from being perfect. Even though it costs a lot of money to maintain our railways, the general public profits by it. For example, I am sure the Richmond Hill-Toronto commuter train will not make a profit, but the whole community will profit. If two or three thousand people save two or three hours a day, that is worth a lot of money and must be taken into account.

Even though what we propose will involve a lot of money, if that is transposed at the national accounts level, it will be seen that it is probably the best way to save money. I hope the Prime Minister (Mr. Trudeau) agrees. I see he is leaving.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): I wish to make one more point. I've really just begun my speech.

Some hon. Members: Carry on.

Mr. Marchand (Langelier): I want to underline one point, the problem of consultation.

[*Translation*]

Consultation is very important in this field. If there is a field where things are cut up, it is that of transport. You have provinces which make the roads. Private companies like the bus companies. There are national companies, like the Canadian National, not to mention the Canadian Pacific and the airlines. There are municipal jurisdictions, provincial jurisdictions, private interests and Crown corporations. As we look at the whole, we come to the conclusion that it cannot work unless there is a state of permanent coordination and consultation between all the agencies concerned.

There are towns where you might have an excellent air service, perfect roads and train and bus systems that are quite up-to-date. There are other places, however, where there is nothing of all that; so there is going to have to be coordination so that everything is not concentrated in the same place. And, if our means are limited, well then, let us try to spend and invest our money so that the greatest possible number of Canadians can benefit by all known modern transportation means.

I do not want to start a discussion in the House, Mr. Speaker, but I remember very well that there once was an air company that abandoned a small line in the west. Today, they have a bus to replace this and they would not want to go back to the old system because they found that they saved much more time this way. As far as we are concerned, we find that with the small STOL aircraft between Montreal and Ottawa a lot of time is saved even if the aircraft flies a bit slower.

We need some sort of total planning which cannot be exclusively brought about by the federal government but

by all the provincial governments as well as the municipal governments when it comes to urban transport.

So we will have to discuss these problems. It will not be easy because I know this will be extremely expensive. Recently I spent a few days in England and France. I remember that after the war when I went to France for the first time, I was shocked by the bad rail service. Of course, the war was somehow responsible for that situation, but today their trains are more comfortable than ours, and it is the same thing in England. Why do people use trains? Because those trains are comfortable and fast.

Mr. Munro (Esquimalt-Saanich): Whose fault is it?

Mr. Marchand (Langelier): Whose fault is it? Anyone who wants to make a trial can do so. But I am here to build trains, so I will try to do just that. Everybody will be working. I will be busy with the railroads while others make trials.

Anyway, Mr. Speaker, I simply wanted to point to the House that the good feelings we had expressed concerning transport, passenger services, freight transport, freight rates, lack of discrimination—

● (1240)

[*English*]

We still believe in all this. Even though the election is over and we have a majority here, we believe in it—even more so, if possible. We are in a good position, now, even if hon. gentlemen opposite are not happy, to do all the good things Canadians are waiting for us to do.

Mr. Mazankowski: Mr. Speaker, I should like to direct a question to the minister if he will agree to answer. It is stated in the Speech from the Throne that the government intends to establish machinery to ensure the effective management of all ground transportation. Would the minister elaborate on this proposal and tell us what is meant by the statement to which I have just referred?

Mr. Speaker: Order. The minister's time has expired and I would not wish him to embark on any lengthy explanation, though he may wish to reply briefly.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, my remarks will be brief. I think we will develop our transport policy as we go along. The Speech from the Throne mentions a corporation for passenger cars and a corporation for rail cars to assure an adequate supply of those. More problems will arise as we go along, but we are determined to take all the means necessary to realize the goals we have set, and we do not have to bother with a full list of those means.

[*English*]

Mr. Mazankowski: Just railway transportation?

Mr. Marchand (Langelier): Railway transportation.

Right Hon. J. G. Dienfenbaker (Prince Albert): Mr. Speaker, it is always a pleasure for me to hear the Minister of Transport (Mr. Marchand) even though, in matters affecting transport, he sometimes allows his imagination to take the place of facts. He is a remarkable orator, one who enlivens the House, and I have always tried to be present whenever he speaks. Whether I agree with him or not, he has developed that undefinable parliamentary quality to such an extent over the years that I always enjoy hearing him speak even though, when he has finished, we have little or no idea of what he was actually endeavouring to prove.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: However, I say in all sincerity that I have great admiration for him as I have for all hon. members who endeavour to express themselves clearly and with honesty of purpose. I cannot say more of anyone than that. I did notice, though, that in his praise for himself and his department in connection with the allotment of air routes from the United States he forgot the province of Saskatchewan. This is not the first time Saskatchewan has been forgotten, particularly since it turned to the former allies and bedfellows of the Liberal government during the last parliament. When they ceased to support the government, Saskatchewan was forgotten.

Furthermore, I should like to have heard the minister say something more about the transportation of oil and gas by railroad from the north. This matter has been thoroughly looked into by the Queen's University Committee which came to the conclusion that such a railroad would cost no more than a pipeline and that the environmental difficulties inherent in a pipeline would be completely eliminated. What has been done in that connection?

I should also have liked to have heard the minister say something about the Canadian Transport Commission. This Commission, during the last several years, has brought in recommendations and decisions which, in several cases, have been entirely unmindful of the average Canadian. I think of the recent acceptance by the Commission of the application on the part of Bell Telephone which in my opinion was unjustified and could not be justified. It can only have the effect of stoking still further the inflationary fires in this country.

Now, I wish to deal with one or two matters of particular interest to me arising out of the Speech from the Throne. It was a speech grandiloquent in words, outstanding the sentiment and completely devoid of any serious effort to meet the problems facing Canada today. It was designed to delude the people of Canada into believing that a government which has been sound asleep since the election has suddenly ended its hibernation and that things are being done. Where, in that Speech, is there anything which will help Canadians today? It is beyond me why in all the circumlocution of that Speech there is nothing which meets the major problem facing this country, that is to say, inflation. When the Leader of the Opposition (Mr. Stanfield) dealt with inflation throughout the campaign, calling it the number one danger facing our country, he was ridiculed. Now there is suddenly a recognition that such a thing as inflation does exist. It is still apparent that the sloth and inaction of the past weeks, months and, indeed, the last year and a half is what will continue to guide this government.

● (1250)

Government expenditures are on the increase and there is no attempt at control. Budgetary expenditures on September 26 totalled $9.2 billion, some $1,800 million more than the same period in the previous year. Where is this nation going? I am not going to get into a discussion of inflation as it no doubt will be dealt with at length during this debate, but I do suggest that this government could have acted.

What is the government's excuse now? It says it is waiting for the budget. We have had budgets and budgets over and over again during the last three or four years with nothing to meet the serious situation of inflation. As I listened to the unveiling of the Speech from the Throne I could only come to the conclusion that its purpose was simply to becloud the fact that our financial situation in Canada is very serious and to put the blame on international causes when at least 55 per cent of inflation here in Canada is the result of inaction on the part of this government.

Why has there not been some action taken? There is nothing to prevent the government of Canada, even without a budget, from doing something about the awful interest rates which today make it virtually impossible for people in all walks of life to continue. The government has the power to do something and does not have to wait for a budget. Why does it not act now?

I remember very well that when I was Prime Minister the great banking institutions of Canada came to me seeking my agreement to legislation removing the 6 per cent ceiling on interest. I asked them what their purpose was, and they said it was to make the financial situation more flexible. I asked them whether they intended to use such legislation and they said no, at which time I said that under the circumstances my answer was no.

People in Canada today are aroused as never before. The government won an election and boasts of it. I do not object to that feeling of exhilaration that comes from victory, but where is Canada going? If it is going to follow what is set out in the throne speech I wonder what the consequences will be?

This brings me to something that happened on Monday on Parliament Hill. I stood against violence weeks ago when the situation at Kenora showed a degree of dangerous chaos. I said that those who were raising the trouble among the Indians were not the responsible ones but were troublemakers obtaining their inspiration from the United States. What happened here on Parliament Hill will be known throughout the world as an indication that we in this nation are in no different position than other nations, many without the same background and tradition of respect for law.

However, I must add that the government of Canada must bear a large share of the responsibility for what happened as a result of its inaction and the official decision that the minister would not meet with the Indians without the meetings being subject to certain qualifications he wished to impose. That is not the way to deal with difficulties and problems, and certainly not the way to deal with the first race of our country.

[Mr. Diefenbaker.]

I have no sympathy for what these people did, but when I heard that the government refused to meet with them, as it was reported, I feared for the consequences. As an indication of how serious this matter is let me point out that yesterday the Lieutenant Governor of Alberta, himself a full-blooded Cree, speaking with the magnificent record he has had during the years, to the benefit of his people, spoke out strongly and definitively. That is an unusual thing for a representative of Her Majesty, provincially or otherwise.

I say to the government through you, Sir, that I have no consideration for the irresponsible individuals involved, but the vast majority of the Indian race whose contributions to this country have been tremendous and law abiding deserve more than the consideration they have been given to date. I would go further by asking whether the use of the RCMP on Parliament Hill on Monday was a course in keeping with the traditions of the force and the excellent relationship that has prevailed between that force and the Indian peoples?

Mr. Speaker: Order, please. It being one o'clock the House will take recess until 2 p.m.

At one o'clock the House took recess.

* * *

AFTER RECESS

The House resumed at 2 p.m.

Mr. Speaker: Order, please. Pursuant to the order made earlier this day, the House will revert to routine proceedings.

ROUTINE PROCEEDINGS

[*English*]

STANDING COMMITTEES

Hon. Mitchell Sharp (President of the Privy Council) presented the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the House, as follows:

AGRICULTURE

Messrs.

Andres
Caron
Condon
Corriveau
Côté
Daudlin
Douglas (Bruce)
Goodale
Hargrave
Hurlburt
Jarvis
Lambert (Bellechasse)
La Salle
Lessard
Maine
Marchand (Kamloops-Cariboo)
Masniuk
McCain
McIsaac
Milne
Murta
Neil
Nystrom
Peters
Smith (Saint-Jean)
Tessier
Towers
Whittaker
Wise
Yanakis

Standing Committees

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Messrs.

Baker (Gander-Twillingate)
Bégin (Miss)
Blaker
Blouin
Darling
Douglas (Bruce)
Fleming
Grafftey
Guilbault
Johnston
Kempling
Marceau
Matte
McKinnon
Nowlan
Raines
Roberts
Stollery
Symes
Yewchuk

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Messrs.

Anderson
Bégin (Miss)
Breau
Brewin
Bussières
Crouse
Cyr
Dupras
Forrestall
Friesen
Gendron
Gray
Haidasz
Hopkins
Howie
Langlois
Lapointe
Laprise
Leggatt
MacLean
McKinnon
Munro (Esquimalt-Saanich)
Paproski
Pelletier (Sherbrooke)
Roberts
Stanbury
Stewart (Marquette)
Stewart (Cochrane)
Wagner
Wenman

FINANCE, TRADE AND ECONOMIC AFFAIRS

Messrs.

Bawden
Clermont
Comtois
Cullen
Gillies
Gray
Hees
Holt (Mrs.)
Joyal
Kaplan
Kempling
Lambert (Edmonton West)
Martin
O'Connell
Ritchie
Rondeau
Saltsman
Stevens
Trudel

FISHERIES AND FORESTRY

Messrs.

Allard
Baker (Gander-Twillingate)
Béchard
Blouin
Campagnolo (Mrs.)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Carter
Crouse
Cyr
Darling
Dionne (Northumberland-Miramichi)
Fraser
Landers
Leggatt
Marchand (Kamloops-Cariboo)
Marshall
Oberle
Pearsall
Rooney
Smith (Churchill)

HEALTH, WELFARE AND SOCIAL AFFAIRS

Messrs.

Brisco
Broadbent
Campbell (Miss) (South Western Nova)
Corbin
Elzinga
Gauthier (Ottawa-Vanier)
Haidasz
Halliday
Holmes
Holt (Mrs.)
Isabelle
Macquarrie
Matte
Nicholson (Miss)
Philbrook
Railton
Roy (Laval)
Rynard
Tessier
Yewchuk

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Messrs.

Anderson
Bussières
Campagnolo (Mrs.)
Clark (Rocky Mountain)
Côté
Cyr
Demers
Dinsdale
Elzinga
Firth
Gauthier (Roberval)
Lajoie
MacDonald (Miss) (Kingston and the Islands)
Marchand (Kamloops-Cariboo)
Milne
Neil
Nielsen
Pearsall
Watson
Yewchuk

JUSTICE AND LEGAL AFFAIRS

Messrs.

Blais
Carter
Dick
Fairweather
Fox
Gilbert
Hnatyshyn
Holt (Mrs.)
Lachance
Landers
MacGuigan
Marceau
Nielsen
Pinard
Poulin
Prud'homme
Robinson
Rondeau
Wagner
Woolliams

LABOUR, MANPOWER AND IMMIGRATION

Messrs.

Alexander
Appolloni (Mrs.)
Caccia
Condon
Dionne (Kamouraska)
Dupont
Ellis
Epp
Fleming
Friesen
Johnston
MacGuigan
Olivier
Orlikow
Parent
Portelance
Rompkey
Skoreyko
Stollery
Yewchuk

MISCELLANEOUS ESTIMATES

Messrs.

Beatty
Béchard
Clermont
Cossitt
Demers
Flynn
Francis
Gauthier (Roberval)
Herbert
Huntington
Lachance
Langlois
Leblanc (Laurier)
Martin
Nielsen
O'Connell
Rodriguez
Schellenberger
Stevens
Whiteway

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

Messrs.

Campbell (LaSalle-Émard-Côte Saint-Paul)
Duquet
Fortin
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Munro (Esquimalt-Saanich)
Nystrom
Reid
Reynolds
Scott
Smith

Standing Committees

NATIONAL RESOURCES AND PUBLIC WORKS

Messrs.

Abbott
Alkenbrack
Andre
(Calgary Centre)
Bawden
Blais
Caouette
(Villeneuve)
Cossitt
Douglas
(Nanaimo-Cowichan-The Islands)
Ellis
Ethier
Foster
Gendron
Goodale
Hamilton
(Qu'Appelle-Moose Mountain)
Malone
Martin
McRae
Milne
Railton
Young

PRIVILEGES AND ELECTIONS

Messrs.

Abbott
Benjamin
Blais
Blaker
Cadieu
Clarke
(Vancouver Quadra)
Collenette
Darling
Dionne
(Northumberland Miramichi)
Duclos
Duquet
Hamilton
(Swift Current-Maple Creek)
Lee
Matte
McKenzie
McKinnon
Pearsall
Reid
Scott

PUBLIC ACCOUNTS

Messrs.

Blackburn
Caouette
(Villeneuve)
Clarke
(Vancouver Quadra)
Clermont
Comtois
Crouse
Cullen
Darling
Demers
Dupras
Flynn
Herbert
Joyal
Leblanc
(Laurier)
Loiselle
(Chambly)
Martin
McKinnon
Mitges
Schumacher
Towers

REGIONAL DEVELOPMENT

Messrs.

Brisco
Caron
Coates
Francis
Goodale
Guay
(St. Boniface)
Hargrave
Hogan
Joyal
Lambert
(Bellechasse)
La Salle
Lee
Lessard
Lumley
MacDonald
(Egmont)
McRae
Muir
Pelletier
(Sherbrooke)
Rooney
Stewart
(Marquette)

[Mr. Sharp.]

TRANSPORT AND COMMUNICATIONS

Messrs.

Benjamin
Campbell
(LaSalle-Émard-Côte Saint-Paul)
Collenette
De Bané
Duclos
Fortin
Horner
Korchinski
Lee
Loiselle
(Saint-Henri)
Lumley
MacKay
Mazankowski
McGrath
McIsaac
McRae
Nowlan
Reynolds
Turner
(London East)
Watson

VETERANS AFFAIRS

Messrs.

Allard
Andres
(Lincoln)
Boulanger
Dupras
Guay
(St. Boniface)
Hamilton
(Swift Current-Maple Creek)
Kempling
Knowles
(Winnipeg North Centre)
Knowles
(Norfolk-Haldimand)
Landers
Loiselle
(Saint-Henri)
MacFarlane
MacLean
Marshall
Masniuk
McKenzie
Parent
Railton
Robinson
Turner
(London East)

Your committee also recommends that the provisions of Standing Order 65(1)(r) with regard to the maximum membership of the Standing Committee on Procedure and Organization be suspended and that the said Standing Committee be composed of the following members:

PROCEDURE AND ORGANIZATION

Messrs.

Baker
(Gander-Twillingate)
Baldwin
Boulanger
Fortin
Fox
Kaplan
Knowles
(Winnipeg North Centre)
Lambert
(Edmonton West)
MacFarlane
Munro
(Esquimalt-Saanich)
Nicholson (Miss)
Nowlan
O'Connell
Olivier
Reid
Roche

Mr. Sharp moved that the report be concurred in.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

CONSIDERATION OF ESTIMATES

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, there have been discussions among the parties and agreement has been reached with regard to the method by which the House will be asked to deal with

supply. I understand there will be unanimous consent for a special order, which reads as follows:

That, each standing committee to which the main estimates, 1974-75, or supplementary estimates (A), 1974-75, are referred, shall report, or shall be deemed to have reported, the said estimates to the House not later than October 22, 1974:

That, notwithstanding the provisions of Standing Order 58(4) (a), twenty-four hours' notice shall be given of motions to concur in the said estimates or to restore or reinstate any item in the said estimates;

That, notwithstanding any Standing Order, any bill based upon the said estimates may be advanced any number of stages in any sitting;

That, on Wednesday, October 23, 1974, Thursday, October 24, 1974, and Friday, October 25, 1974, the only business taken up under government orders shall be the consideration of the said estimates and of any bill or bills based thereon;

That, on the aforementioned days, no private members' business shall be taken up and Standing Orders 15(3), 26 and 40 shall be suspended;

That, the hours of sitting on Wednesday, October 23, 1974, shall be 2:00 p.m. to 6:00 p.m. and 8:00 p.m. to 10:30 p.m., and the hours of sitting on Thursday, October 24, shall be 11:00 a.m. to 1:00 p.m., 2:00 p.m. to 6:00 p.m. and 8:00 p.m. to 11:00 p.m.;

That, at 4:00 p.m. on Friday, October 25, 1974, the proceedings then in progress shall be interrupted and every question necessary for the disposal of any item of business relating to the said estimates and the passage at all stages of any bill or bills based thereon shall be put forthwith without further debate or amendment;

And that, notwithstanding the provisions of Standing Order 6(3), the House shall adjourn on Friday, October 25, 1974, immediately after completing the business of supply referred to in this order.

Mr. Speaker: The House has heard the order proposed moved, I take it, by the President of the Privy Council (Mr. Sharp) and seconded by the Minister of Justice (Mr. Lang). Shall it be so ordered?

Some hon. Members: Agreed.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I say very briefly that there have been the usual interesting exchanges among the House leaders. Because the government got itself into an unfortunate predicament and had to be defeated last May 8, it is now in the position where procedures have to be adopted to deal with the 1974-75 main estimates which, together with Governor General's warrants—which I see the President of the Treasury Board (Mr. Chrétien) has before him in large quantities—have almost been expended. So we are prepared to accommodate the government. I want to say, in light of the rather extraordinary claim the Prime Minister (Mr. Trudeau) made yesterday for further streamlining and thereby loss of opposition privileges, that when the government is in a position where it needs assistance, there is always on an individual basis a willingness to co-operate. This is what is being done now. As time goes on, I am sure the President of the Privy Council (Mr. Sharp) will see how much more co-operation he receives from government House leaders than he did when he was in his other occupation dealing with people at the United Nations.

There is another matter which I think I should mention. The three days which will be devoted to discussion of the estimates in the House will be without interruption either by the opposition attempting to make use of Standing Order 26 or by the government bringing in large clutches of government statements to be made on motions by ministers. This will give the House, and particularly members who have come here since 1968, an opportunity to see how this House can operate in what will be an atmosphere and climate resembling the old committee of supply. We hope ministers will bring forward the details of their estimates without any sins of omission or commission, and that we will have an interesting debate. I say this because it may well be that in the discussion of our rules this procedure will serve as a pilot plan for the proposition this party will make so that we can work out a system of reverting, at least in part, to the old committee of supply rules.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker I wish to confirm the fact that the motion presented by the President of the Privy Council (Mr. Sharp) does represent an agreement arrived at among the four House leaders. If some members think that not sufficient time is allowed for debate of these estimates, and others think there is too much time, I can tell them that the amount of time in the motion represents a compromise.

I believe the point made by the hon. member for Peace River (Mr. Baldwin) should be emphasized, namely, that what we are dealing with here is not a brand new set of estimates but, rather, estimates for the current fiscal year, seven months of which have already been voted or approved in one way or another, most of which has already been spent. It seems, therefore, that we should handle the discussion of these estimates with as much expedition as possible. I feel the arrangement worked out by the House leaders in bringing in this motion takes into account all the important factors.

Perhaps there is one other element in the so-called agreement, among others, which should be mentioned. It should be understood that during the three days October 23, 24 and 25 when we are debating the estimates on the floor of the House, most, if not all, of that time will be spent, in committee of the whole so that there can be an honest back and forth discussion of these estimates.

● (1410)

On behalf of my party, I wish to support this motion.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to confirm what the President of the Privy Council (Mr. Sharp) has said, that there was unanimous agreement between the House leaders of the four parties. We took part in the discussions and we endorse it completely for it meets a need we have often stated in this House that the spending of the taxpayer's money was not discussed sufficiently in the House. This agreement provides for three days' discussions in Committee of the Whole, with additionnal sittings, which constitutes some kind of compromise as was said previously. Some would say it is not enough, others that it is too much. To my mind, it is one step towards more effective and better planned procedures in the short and the long term.

I sincerely hope. Mr. Speaker, that there will be more agreements of this type to make House business more effective and better adapted to current needs. These would give each member the opportunity of putting forward his ideas and of checking on the present administration.

[*English*]

Mr. Speaker: Order. The House has heard the proposal. Is it agreed that it shall become an order of the House?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

[*Translation*]

BUSINESS OF SUPPLY

MAIN ESTIMATES AND SUPPLEMENTARY ESTIMATES (A) FOR YEAR ENDING MARCH 31, 1975

Two messages from His Excellency the Administrator of the Government of Canada transmitting estimates for the financial year ending March 31, 1975 and supplementary estimates (A) for the financial year ending March 31, 1975 be presented by Hon. Jean Chrétien (President of the Treasury Board) and read by Mr. Speaker to the House.

Mr. Chrétien: Mr. Speaker, the main estimates that I table today are identical to those which were introduced in the last session of the previous Parliament. Hon. members will recall undoubtedly that the examination of that budget was nearly completed by most standing committees at the time Parliament was dissolved.

In March last, the Commons voted interim supplies for the period from April to June inclusive. For the four following months, from July to October, the government obtained its operating funds through special warrants as authorized under the Financial Administration Act. The funds provided in those warrants should meet government needs only until the end of October. I trust that by that time Parliament will have voted all the necessary votes for the current fiscal year. For that matter, Mr. Speaker, agreement was reached on that a moment ago.

Nearly all budget items for which special warrants were issued were already included in the estimates under study when Parliament was dissolved.

The supplementary estimates that I also table today provide for the issuance of special warrants for any budget items not provided for in the main estimates. They also cover expenditures to be incurred in weeks to come to subsidize consumer oil product prices as well as the price of wheat for Canadian consumption. The amounts required to subsidize consumer oil product prices represent 90 per cent of the supplementary estimates.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a point of order, or comment, which I think I am entitled to make at this point. I understand the gratitude which the minister feels at being in his present position and not in the one he held previously. As a result, he has probably forgotten to let us have copies of the supplementary estimates which usually come to us, or copies of the statement. I let it pass for that reason, although I think I should file a caveat at this time, on behalf of our party, that if on examination of those supplementary estimates we discover in them any dollar items or votes of expenditure covering some of the lavish promises in money which the Prime Minister (Mr. Trudeau) and his friends were flinging around during the course of the election campaign—such as the Toronto park, of which the President of the Privy Council (Mr. Sharp) is aware—we will reserve the right to deal with them. We have not seen them, and it may well be that the government is virginally pure.

Mr. Stanfield: I do not believe so.

Mr. Baldwin: I have my doubts, also. But I simply point out that if we find that this is not the case, we will take very strong exception and will have to take action against the government.

Mr. Chrétien: I rise on the same point of order, Mr. Speaker. I was happy in the other portfolio, and I am happy here—because I am a happy politician.

Some hon. Members: Hear, hear!

Mr. Chrétien: I would like to tell the opposition House leader that there will be another series of supplementary estimates presented in the House later in the year, probably in November.

MAIN ESTIMATES, 1974-75—REFERENCE TO STANDING COMMITTEES

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I wish to move, pursuant to Standing Order 59, a motion to refer the main estimates to the several standing committees. This is a very long motion; it would take me ten minutes to read it.

Some hon. Members: Dispense.

Mr. Sharp: In order to save the time of hon. members, I have circulated to all parties copies in both official languages. It is exactly the same as the motion passed at the last session, and in view of this perhaps it can be agreed to dispense with the reading.

Mr. Speaker: Perhaps it can be agreed that although the text of the motion is not fully read it be included in *Votes and Proceedings* and in *Hansard* as if it had been read.

Some hon. Members: Agreed.

Mr. Speaker: The motion would be correct if it were to be put in this way.

[*Editor's Note: The motion referred to is as follows:*]

HON. MITCHELL SHARP (for the Minister of Finance) moved that the estimates of sums required for the service of Canada for the fiscal year ending March 31, 1975, be referred to several standing committees of the House, as follows:

To the Standing Committee on Agriculture

Votes 1, 5, 10, 15, 20, 25, L30, 35 and 40 relating to the Department of Agriculture.

Vote 45 relating to the Canadian Dairy Commission.

Votes 50 and 55 relating to the Canadian Livestock Feed Board.

Vote 60 relating to the Farm Credit Corporation.

To the Standing Committee on Broadcasting, Films and Assistance to the Arts

Votes 1, 5, 10, 15, 20, 25, 30 and 35 relating to the Department of the Secretary of State.

Vote 40 relating to the Canada Council.

Votes 45, 50 and 55 relating to the Canadian Broadcasting Corporation.

Votes 10 and L15 relating to Information Canada.

Vote 60 relating to the Company of Young Canadians.

Vote 65 relating to the National Arts Centre Corporation.

Votes 70 and L75 relating to the National Film Board.

Vote 80 relating to the National Library.

Votes 85 and 90 relating to the National Museums of Canada.

Votes 95, L100 and L105 relating to the Public Archives.

Vote 15 relating to the Canadian Radio-Television Commission.

To the Standing Committee on External Affairs and National Defence

Votes 1, 5, 10, L15 and 20 relating to the Department of External Affairs.

Votes 25, 30 and L35 relating to the Canadian International Development Agency.

Vote 40 relating to the International Joint Commission.

Votes 1, 5, 10, 15 and 20 relating to the Department of National Defence.

Vote 25 relating to Defence Construction (1951) Limited.

To the Standing Committee on Finance, Trade and Economic Affairs

Votes 1, L5, 10 and 15 relating to the Department of Finance.

Vote 25 relating to the Department of Insurance.

Vote 30 relating to the Tariff Board.

Votes 1, 5, 10, L15, L20, L25, 30, 35 and 40 relating to the Department of Industry, Trade and Commerce.

Vote 45 relating to the Standards Council of Canada.

Vote 50 relating to Statistics Canada.

Vote 20 relating to the Economic Council of Canada.

Votes 1 and 5 relating to the Department of National Revenue.

To the Standing Committee on Fisheries and Forestry

Votes 1, 5, 10, 15, 20, 25 and 30 relating to the Department of the Environment.

To the Standing Committee on Health, Welfare and Social Affairs

Votes 1, 5, 10, 15, 20 and 25 relating to the Department of Consumer and Corporate Affairs.

Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50 and 55 relating to the Department of National Health and Welfare.

Votes 60 and 65 relating to the Medical Research Council.

Votes 1 and 5 relating to the Ministry of State for Urban Affairs.

Votes 10 and L15 relating to Central Mortgage and Housing Corporation.

Votes 20, 25 and L30 relating to the National Capital Commission.

Vote 30 relating to the Food Prices Review Board.

To the Standing Committee on Indian Affairs and Northern Development

Votes 1, 5, 10, L15, L20, L25, 30, 35, 40, L45, L50, L55, L60, L65, L70, L75, 80, 85 and 90 relating to the Department of Indian Affairs and Northern Development.

Vote L95 relating to the Northern Canada Power Commission.

To the Standing Committee on National Resources and Public Works

Votes 1, 5, 10 and 15 relating to the Department of Energy, Mines and Resources.

Votes 20 and 25 relating to the Atomic Energy Control Board.

Votes 30, 35, L40 and L45 relating to Atomic Energy of Canada Limited.

Vote 50 relating to the National Energy Board.

Votes 1, 5, 10, 15, 20, 25, L30, 35 and 40 relating to the Department of Public Works.

To the Standing Committee on Justice and Legal Affairs

Votes 1, 5, 10, 15, 20, 25 and 30 relating to the Department of Justice.

Vote 1 relating to the Department of the Solicitor General.

Votes 5, 10 and 15 relating to Correctional Services.

Votes 20 and 25 relating to the Royal Canadian Mounted Police.

Estimates

To the Standing Committee on Labour, Manpower and Immigration

Vote 1 relating to the Department of Labour.

Vote 30 relating to the Unemployment Insurance Commission.

Votes 1, 5, 10, 15 and 20 relating to the Department of Manpower and Immigration.

Vote 25 relating to the Immigration Appeal Board.

Vote 5 relating to the Canada Labour Relations Board.

To the Standing Committee on Regional Development

Votes 1, 5, 10, L15, L20 and L25 relating to the Department of Regional Economic Expansion.

Votes 30, 35 and 40 relating to the Cape Breton Development Corporation.

To the Standing Committee on Transport and Communications

Votes 1 and 5 relating to the Department of Communications.

Vote L10 relating to the Canadian Overseas Telecommunication Corporation.

Votes 1 and 5 relating to the Post Office.

Votes 1, 5, 10, 15, 20, 25, L30, 35, 40, 45, L50 and 55 relating to the Department of Transport.

Vote 60 relating to the Atlantic Pilotage Authority.

Votes 70 and 75 relating to the Canadian Transport Commission.

Vote 80 relating to the Great Lakes Pilotage Authority Ltd.

Vote 85 relating to the Laurentian Pilotage Authority.

Votes 90, 95 and L100 relating to the National Harbours Board.

Vote L105 relating to Northern Transportation Company Limited.

Vote 110 relating to the Pacific Pilotage Authority.

Votes 115 and 120 relating to the St. Lawrence Seaway Authority.

Vote L65 relating to the Canadian National Railways.

To the Standing Committee on Privileges and Elections

Vote 10 relating to the Chief Electoral Officer.

To the Standing Committee on Veterans Affairs

Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50 and 55 relating to the Department of Veterans Affairs.

To the Standing Committee on Miscellaneous Estimates

Vote 1 relating to the Governor General and Lieutenant Governors.

Vote 1 relating to the Privy Council Office.

Vote 15 relating to the Commissioner of Official Languages.

Vote 25 relating to the Public Service Staff Relations Board.

Vote 1 relating to the Ministry of State for Science and Technology.

Vote 5 relating to the Science Council of Canada.

Vote 110 relating to the Public Service Commission.

Votes 1, L5 and 10 relating to the Department of Supply and Services.

Vote 15 relating to Canadian Arsenals Limited.

Vote 20 relating to the Auditor General.

Vote 20 relating to the Canadian Commercial Corporation.

Vote 5 relating to the Canadian Intergovernmental Conference Secretariat.

Votes 1, 5, 10, 15 and 20 relating to the Treasury Board.

Votes 25, 30 and 35 relating to the National Research Council of Canada.

To the Standing Committee on Procedure and Organization

Vote 1 relating to the Senate.

Vote 5 relating to the House of Commons.

Vote 10 relating to the Library of Parliament.

Mr. Stanfield: There must be some misunderstanding, Mr. Speaker. We have not received a copy—

Mr. Baldwin: It has just arrived by special messenger.

Mr. Stanfield: While we do not desire to hold up the House, I think we should have an opportunity, not only in

self-defence but in the interests of the country, to read this motion before we pass it, perhaps on the understanding that we could revert to it later in the afternoon in order to get the business done.

● (1420)

Mr. Sharp: Mr. Speaker, may I apologize. I thought that arrangements had been made to have the orders distributed. They are exactly the same as on the previous occasion, and I have no hesitation in giving the usual assurance.

Mr. Speaker: Order, please. At the moment I have a motion which is properly before us. If we are going to deal with it now, I must read the entire motion or have the mover read it.

Mr. Stanfield: Mr. Speaker, you can dispense, or let the matter stand. We have no objection to proceeding with it a little later this afternoon.

Mr. Speaker: It is proposed that the matter stand over until later this day. Is this agreed?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Let us fix the time at six o'clock.

Mr. Sharp: Mr. Speaker, I do not think there will be any doubt about the second motion which I shall now move.

SUPPLEMENTARY ESTIMATES (A)—REFERENCE TO STANDING COMMITTEE

Hon. Mitchell Sharp (President of Privy Council) moved:

That supplementary estimates (A) tabled this day be referred to the Standing Committee on Miscellaneous Estimates.

Motion agreed to.

Mr. Speaker: Order, please. We will resume the business that was interrupted by the order made earlier.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Louis Duclos for an address to His Excellency the Administrator of the Government of Canada, the amendment thereto of Mr. Stanfield (p. 42) and the amendment to the amendment of Mr. Broadbent (p. 53).

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, at the time of the adjournment, which now seems like a millennium ago, I was dealing with the situation on Parliament Hill. I had mentioned that I felt, disagreeing to the utmost with resorting to violence, that the government must assume considerable responsibility for the manner in which, from the time this group left Vancouver, the government continued to vacillate and did not take action. I mentioned the RCMP and rather questioned the use of that body for the kind of action it was engaged in here on Parliament Hill. Indeed, when I was prime minister I refused to permit the RCMP to be used for strike breaking in Newfoundland because I felt that that body should not be used in any way, directly or indirectly, which was inconsistent with its tradition.

Now, sir, I intend to say a word or two regarding parliament, and in particular some of the changes that have taken place in the last few months. I mentioned that there had been changes. As one looks at the government front bench, one cannot but be impressed by the fact that today you are a minister and, with your government still in office, tomorrow you are not. It is a case of in again and out again. The only one who ever found a way to get back again was the Postmaster General (Mr. Mackasey).

I think of the hon. member for Parkdale (Mr. Haidasz) who brought many votes to the Liberal Party in the election. I remember him being spoken of by the Prime Minister (Mr. Trudeau) in words of adulation and eulogy which could only lead one to believe that he was a minister who was certainly in the best graces of the Prime Minister. But out he went. Then there is the hon. member for York-Scarborough (Mr. Stanbury). He, too, was in that delightful position. He was a minister of national revenue who had performed in a way that met the praise of the Prime Minister and other ministers. He is gone.

Then you think of one or two others who disappeared, and one can only think of the Biblical words, "greater love hath no man than this"—that he lay down the portfolios of his friends for his own survival.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: It is the strangest thing I have ever known. If I were to use the language that might be used by the Minister of Agriculture (Mr. Whelan) in reference to the chickens of two years ago, I would say "the slaughter of the innocents". It is all because for some reason the Prime Minister decided they must go. However, there is another minister who apparently saved himself by his tears, and I know he will identify himself immediately.

I congratulate the Minister of Justice (Mr. Lang) on his victory in his constituency. I will always defend my brother members in my own province, so I was deeply concerned by the reply given to Douglas Fisher by the Minister of Agriculture when asked how things were going. Mr. Fisher said that when he asked the minister about his party's prospects, he was his usual candid self and said, "If the Prime Minister would send Otto Lang off to China on a mission, things would be better". The interesting thing is that he did not go, Mr. Speaker, and I saw the two of them sitting together, placed there no doubt by the Prime Minister because of this little interlude. I can only conclude that great are the uses of victory because there they sit, cheek by jowl.

I am concerned about the way in which the Minister of Justice, in giving some legal opinions on what should be done, is not only being overawed but overruled by the Prime Minister. He will recall various incidents, but I remember the one on June 24 when the FLQ kidnappers of Mr. Cross were found in Paris. The Minister of Justice said that he did not see any difficulty in extraditing them.

He said the prisoners were originally sent to Cuba in exchange for Mr. Cross, but that did not protect them in other countries. An hour or two later, the Prime Minister said it would not be this government's plan to take steps for extradition. That must have been an awful setback for the Minister of Justice.

Parliament is a great place, Mr. Speaker. I never get over my admiration for the place or my interest in it because of incongruities such as I have mentioned that happen with great regularity on that side of the House.

Mr. Lang: Remember 1962.

An hon. Member: Otto, you just sit quiet.

Mr. Diefenbaker: Oh, I am glad to have Otto's participation. I have two or three more here, but I did not want to use them because he was so jovial with me today. As I have said on other occasions, when you come to parliament on your first day, or indeed during your first six months, you wonder how you ever got here. After that you wonder how the other 263 members were elected. In this place there is strong argument, but nonetheless there is respect and regard for the integrity of those who sit opposite. Above all, I am interested in seeing the quality of the members who come to this House after every election.

● (1430)

I am not being perfunctory when I say that the mover and seconder of the address in reply performed their duty admirably, difficult as it must have been, when measured by reason, to say the things that they said. I admire those who can speak in both languages with the facility displayed by so many. I recall that the former member for Prince Albert, also the then prime minister of Canada, had a wonderful hold in the province of Quebec. He made only two speeches in French in his years in office. Once he said "oui" and the second time "oui, oui". That had a tremendous effect. When I listen to those who are able to speak in both languages, I have a deep sense of regret for never having been able to do it. I understand what is said. When I try to reply, the quality of my French is such that nobody, from Vancouver Island to Newfoundland, who does not speak French understands. That is trilingualism, as practised in Prince Albert.

Speaking seriously about the Prime Minister's speech—I wish he were here; I know how busy he always is when I speak—he said parliament must be the heart of the nation. I did not read *Hansard* this morning, so I must depend on memory. Mr. Speaker, who was it who drove a dagger into the heart of parliament when the rule changes were forced through by closure two or three years ago in this House? Those rule changes turned this House into a puppet, to be pushed around by the Prime Minister and those associated with him.

When the so-called reform of the rules of parliament began under Mr. Pearson and was continued under the present Prime Minister, I stood against most of the changes and was virtually alone. Many of my colleagues fell for the argument that parliament must be made more efficient. That is always the Machiavellian argument used when parliament is about to be emasculated. I can tell the House this about the proposed rule changes: as far as I am concerned they will not pass unless they are based upon the principle that we in the opposition have rights, as well as the government.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I am glad to see the Minister of Justice applauding.

Mr. Lang: That is what the Prime Minister said.

Mr. Diefenbaker: I think we all know how the minister voted last time. The Minister of Transport (Mr. Marchand) always approves of strengthening parliament.

When the Prime Minister spoke, he did so in solemn tones saturated with sacrament. He spoke feelingly of his high regard for members of parliament. But, Mr. Speaker, I have a good memory. What manner of changed thinking has come over the Prime Minister who on July 26, 1969, said that members were nobodies! Well, the nobodies of 1969 became the subject of his appreciation in 1974. Then he spoke of some of his fellow members in the Liberal Party. Once he said, "I think we will get rid of some of them; they are bums." Some of them who were here in those days are still here.

An hon. Member: Some of them just came back.

Mr. Diefenbaker: One hon. member said that they have just returned. They have returned while yet the light holds forth and burns. It is interesting to note the attitude taken in the last few weeks by some great American papers toward the parliamentary system. They pay the system great tribute. I will not quote because my time is limited. They said, in so many words, that so long as the representatives of the Crown live true to their oaths of office, there cannot be a Watergate in Canada. That was a tremendous tribute to our parliamentary system. The Americans, in attempting to get away from the British parliamentary system, made the president an all powerful king who might believe, as some of his predecessors did, that he is above the law.

In successive amendments to the rules of this House we have lost control of a basic right which is fundamental to parliament—the right to the fullest examination of expenditures. Today there is no such right. Despite all the gyrations we witnessed this afternoon, one cannot get around the situation that there are estimates unpassed from the previous parliament. The first thing we must do is this: we must return to this House, as a committee of the whole, the right to examine ministers on their shortcomings and on their achievements.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I know the attitude of ministers. I have seen it from both sides. When ministers came to me and said, "My estimates are coming up before the House," I said, "You had better be right." There is none of that today. There is virtually no control over the profligate wastefulness in the spending of money. That wastefulness has characterized, in the last six or seven years, the government of this country. Expenditures of ministers, wasteful beyond words, have been unchallengeable in the House. You cannot move a motion against an individual

item of expenditure except in those few last hours when the matter comes before the House, as happened three years ago when the House voted expenditures of $18 billion between 8.30 at night and 1.30 in the morning.

The first thing that must be restored to parliament is this right: that ministers shall stand in their places and shall be questioned individually in this chamber, sitting in committee, on their expenditures.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: If that right were in existence, do you think that the Prime Minister would have spent $95,000 refurbishing his summer residence; that there would have been an expenditure on the official residence, 24 Sussex Drive, of a quarter of a million dollars; that the centre block office would have been refurbished at a cost of $61,000? That would not have taken place if in this chamber we had the right to vote against such expenditures. And so on I could go on the subject of waste and extravagance.

● (1440)

Under my government, the total expenditure was around $6 billion. It is now four times that amount. There is no control whatsoever. When the Prime Minister is soliloquizing about parliament, let him make that change in our rules. I do not care about limitation of time in which to discuss, but I think it is necessary to make changes. However, if the Prime Minister seriously wants to restore parliament, the acceptance of that suggestion which is traditional in our country would do more than all the verbal promises and exhortations in which any of us may indulge.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I regret to advise the right hon. member that his time has expired.

Some hon. Members: Continue.

Mr. Diefenbaker: Thank you, Mr. Speaker. I had no idea of the time I had left; because I have been interrupted. I express to the House my deep appreciation.

The Prime Minister says the question period should be improved. I am not at all convinced that oral questions have not arrived at the point where they bear no relationship to the necessity of being answered immediately. We have spread this period out and out. When I first came here, if there were two or three questions before orders of the day, that would be it. One of the reasons for the lengthy question period today is that this government will not answer questions that are put on the order paper.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: They simply leave them there. Time goes on. From session to session and parliament to parliament, they remain unanswered. What should be done is this. Starred questions should be answered in three days, at the outside. Other questions should be answered within four or five days. If that were done, it would save a great deal of time for the House in the three-quarters of an hour or hour before orders of the day. Will it be done? Will we be able to get answers to questions?

I wish to refer to one example of how the government answers the opposition. The Leader of the Opposition (Mr. Stanfield) is not a provocative person. Some others around me are. I have been in his position. He asked an ordinary question today. Did he get an answer from the Prime Minister? He was simply playing around. Absolute power is a wonderful thing, as long as it is not used absolutely. That is what was shown here today. I want to give a prize example, for the benefit of those members who just came into the chamber. On February 28, 1972, the Leader of the Opposition asked a question of the Prime Minister. It was not of a nature that should arouse one at all. After he decided he would listen to what was being asked, the Prime Minister said:

> That was your God-damned question.

That is in *Hansard*. That is not parliamentary language. If it is, this institution will certainly not live. When you think of all that could be done by parliament, with all the ability that is here, when you finally come down to it it is the government that decides whether or not it is going to live up to parliament. Your Honour has been in the chair for three days. It is not for me to say anything of a flattering nature. All I say to you is this: the manner in which you have discharged your responsibilities assures that you will indeed be a spokesman for all members of this House.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Let us together restore parliament.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The government House leader applauded. If he, in his august and high position as leader in the House, will translate that applause into actuality in the rules, his arrival at that position will be marked as a forward day in the history of parliament.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I do not expect answers to be so full as to cover everything under the sun, but I do expect them to be handed down and, above all, to be true. If we together bring about reform of the House and its rules, no one will be a more enthusiastic supporter than me. However, if the House leader brings in any substitute, caricature change in order to gain for the government more and more power, to the absolute exclusion of the opposition, parliament will in fact cease effectively to exist.

The Prime Minister said he was going to reform the Senate. Whenever he is in difficulty, he thinks of things to be done to take the eyes of the people off the problems that face the country. I remember very well when Mr. King defeated me in Prince Albert in the election of 1926. The major part of his policy was that he was going to reform the Senate. In sepulchral tones he spoke of that body. He said, "We are going to put an end to it." He secured the consent of everyone he appointed to the Senate that they would agree to their own dissolution. When in 1940 we asked to see those consents, he said they

were personal. The only change was that he substituted live Grits for dead Tories: that was the total reform.

I can see the Minister of Justice avidly thinking of the Senate. I cannot hear his judicial words. We now have a new promise. The Prime Minister is giving a sop to the opposition. If any old Tories in the other place die, he will appoint Tories in their place. That is reform. With support amounting to 85 per cent in the Senate, that statement on his part is indicative of the degree of his desire to bring about the change of which he speaks.

● (1450)

Then there is the question of constitutional reform. During the election campaign the Prime Minister spoke critically of the government of Quebec for having brought in Bill 22. I was able to quote him. In my opinion, it was the worst action which could have been taken in relation to national unity. All over Canada the doctrine of bilingualism was accepted. Now, the province of Quebec turns its back on that doctrine and says: It can apply elsewhere but it is not going to apply here.

What should be done? I would have thought a government with courage would have disallowed that legislation as being unconstitutional. Let the Minister of Justice not tell me it is constitutional, because the godfather of constitutionalism in the Senate, Senator Forsey, says it is entirely unconstitutional. So does Frank Scott. Well, the excuse now being given for not disallowing the bill is that the disallowing process is dead.

Mr. Lang: No.

Mr. Diefenbaker: I am glad the Minister of Justice indicates that he does not hold the view to which I have referred, because the statement he made recently was this: as far as the legislation passed respecting oil in Alberta and Saskatchewan is concerned, if necessary it will be disallowed. So disallowance is still a constitutional possibility, or was only a matter of six months ago. Now the Prime Minister tells us he intends to ride the horse of constitutional reform, that he intends to patriate the constitution and make it truly Canadian. Mr. Speaker, every word and line in the British North America Act of 1867 was prepared in Canada by Canadians before it was ever sent to the British parliament for ratification.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Then he says that if he cannot do it by agreement, he will resurrect—he did not use the word "resurrect" because he does not use Biblical expressions—if he could not do it by agreement, he would resurrect the Victoria charter. Sir, the premier of Quebec was wiser than all the other premiers when he refused to accept the Victoria charter while it was up for ratification and acceptance. What would have happened to us in western Canada if it had gone through? I am surprised the premier of Saskatchewan and the premier of Manitoba accepted it.

Mr. Broadbent: Not the present premier.

Mr. Diefenbaker: Oh, no; that is right. The Premier of Saskatchewan, who also exercised quite an influence in the affairs of the NDP, gave it his support.

An hon. Member: Thatcher?

Mr. Lang: No, it was Schreyer.

Mr. Diefenbaker: I was just about to pay a tribute to the hon. member for Oshawa-Whitby (Mr. Broadbent) on becoming acting leader, but because of this interruption I shall have to omit doing so.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: There is a section in there which emasculates the provinces of Saskatchewan and Manitoba by providing for a certain population basis affecting the four western provinces. In Manitoba and Saskatchewan our populations are declining. We would be the only two provinces under the Victoria charter to be placed in a secondary position had that proposal gone through. I hope the Prime Minister will not try to bring back that charter.

Something else is to be brought about. Apparently we are not getting enough information in Canada. We are told that the powers of Information Canada will be strengthened so as to provide a mechanism for disseminating the kind of information which is necessary. Well, some of the information which has been disseminated by that body certainly does not come within this ambit. If we can patriate the constitution, well and good; but not until changes can be brought about in the Victoria charter which will meet general agreement.

I shall conclude by dealing with certain recent activities in the field of foreign affairs. We did not get a chance to discuss foreign affairs while the present leader of the House was foreign minister. Foreign affairs during that period were as foreign as the constitution of Timbuktu.

Mr. Sharp: There was more debate during my time than at any other time.

Mr. Diefenbaker: There was none whatsoever, except in the most general way. The other day Mr. Ivan Head let the cat out of the bag and I think the time has come to say to him, "Ivan, ho. Stop. Whoa." He has no business whatsoever to be enunciating policy. I do not normally mention civil servants, but I cannot forget that Mr. Ivan Head wrote the introduction to a book of speeches by the Prime Minister and pronounced them to be pure poetry. And he had written them himself! What is the situation? The Prime Minister cannot be permitted to get away with the idea that he can deny that Ivan Head expressed himself regarding the new leftward turn in foreign affairs in Canada. I will read a few excerpts. These are from the Canadian Press:

> Prime Minister Pierre Trudeau is determined to give Canada a strong, new activist role on the left wing of international affairs, Ivan Head, Mr. Trudeau's special foreign affairs adviser, said Wednesday.
>
> With the help of Allan MacEachen as his new external affairs minister, Mr. Trudeau will seek to heighten Canada's world influence by taking a more moralistic approach to world problems.

Do you have to be on the left to be moralistic?

> The new emphasis will be on the human problems affecting people wherever they live and on strengthening Canada's ties with Europe, Japan and the developing countries of Asia and Africa.

That is Mr. Head speaking, and Mr. Head knows. He went on to say the Prime Minister will be making many visits abroad. He will be visiting the Swedish Prime Minister who, Mr. Head said, has greatly impressed the right hon. gentleman with his "outspoken left-wing approach to international problems. According to this report, Mr. Head went on to say that the Swedes, with their denunciation of the Viet Nam war and the military revolt in Chile, had

become "the cutting edge of the left—very active, outspoken and moral." The report adds:

> Canada can be expected to take a similar, though not necessarily identical, approach to such problems in the future, he said.

And a little later:

> Mr. Head said Mr. Trudeau met the Swedish prime minister in Austria last winter and was keenly interested in learning more about Sweden's activist foreign policy.

● (1500)

Mr. Head did say there was a leftist turn. Indeed, the day before he spoke to the Canadian Press reporter there was a dispatch from the United Nations under the heading "MacEachen to initiate shift in foreign policy". This is an article by Duart Farquharson in which we find the following:

> External affairs minister Allan MacEachen believes a renewed era of tough U.S. bargaining with Canada may have already begun—

In the same article, the following is stated:

> Canada's image abroad, so far as it is reflected in the personal characteristics of its new spokesman to the world, is also in for a change.

They infer that from his transfer from House leader to minister of foreign affairs, because apparently he cannot be pushed around by "Heads". The article continues:

> Turning to Canada's relations with the rest of the world, the external affairs minister confirmed in broad terms a recent report out of the prime minister's office that the Trudeau-MacEachen foreign policy will be to seek a strong, new active role on the left wing of international affairs.

That is a report from New York of what the minister said. But the Prime Minister says that Mr. Head never said the same thing. When Mr. Head gets a full head of steam, one never knows what he will say when it comes to leftist ideas. I am not satisfied with the position in which this very reliable young reporter has been placed. He is in the position of having it look like he had written something that was fiction. What is the foreign policy of this country with reference to leftist turns? Why should we not know that? Is this a radical departure from current policy which has never received the support of public opinion, which has never been discussed nationally and which has never been dealt with in this place, where foreign policy views should be accepted?

Because there is so much approval of the committee system, I make the suggestion that the foreign affairs committee be called together—and I should like to be a member of it, if I might be chosen for this purpose—so that Mr. Head can be given the opportunity to state what he has said, rather than hearing these alibis for his statements. What did he say, and where are we going? Is Canada taking a turn to the left? Does all this result from what the Prime Minister of Canada said when in Russia speaking to Sacha Kosygin, that we in Canada fear the United States economically—and we do—that we fear the United States culturally—and we do—and that we even fear the United States militarily? Is it any wonder that our relations with the United States today are at their lowest ebb?

It has now been revealed that the CIA has been upsetting governments, undermining governments and giving bonuses to those it has been helping. This is something I have said on other occasions since 1963 when the Liberal party was the beneficiary of the antagonism of the government of President Kennedy, when the president's chief lieutenant in relation to polls and the like, Mr. Harris, came to Toronto with a certain group, following which the Liberal Party found itself with endless funds during the last two weeks of the campaign. I could not understand that. There was also the interference which took place when General Norstad was sent here to say what Canada should do.

In addition, there were schools for pressmen, held by the United States Embassy, to give them the basis upon which to attack the government which I had the honour to lead. Why? Because we took the position that as the danger of air attack on America from the north no longer existed, there was no reason that we should extend the nuclear family. The United States itself had determined that in fact there was an end to the danger of attack from the north. We were reviled for that. The Liberal party turned a complete somersault following the visit of a former prime minister to New York. After his return in the month of January, he said in Scarborough that Canada should accept nuclear weapons. I would like this whole matter looked into.

We noticed the other day that the CIA revelations are not to cover the period 1959 to 1964. I should like to have some of these CIA individuals on the witness-stand before our foreign relations committee, so that they might have the opportunity of explaining whether Canada was one of the nations that received treatment similar to other nations in North America as a result of the unjustifiable and unnatural actions of the CIA. For this and other reasons I should like an opportunity to be provided for a discussion of foreign affairs in this House. Until we have had that opportunity of discussion, let Mr. Head keep his mouth shut, and those connected with external affairs not push Canada into a leftist position.

Where are we going? The minister was in New York the other day and he suggested that Mr. Moroz, a patriot who has committed no offence, like hundreds of thousands of others in the U.S.S.R. who have been put into mental hospitals and the like, is getting along fine and is enjoying good health. What manner of nonsense is it, that Canada does not speak out in the United Nations calling upon the U.S.S.R. to uphold the principles of the United Nations charter which provide for the right of self-determination and which deny those things contrary to every concept of democratic government? Why has Canada not spoken out? Why the silence, as well, regarding the three Baltic countries and the Ukraine? Why does Canada not speak out, instead of taking this attitude of saying nice things to the U.S.S.R.? Why does Canada not get down to asking that immortal question: How is Moroz getting along, and is his health good?

Some hon. Members: Hear, hear!

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I follow the right hon. member for Prince Albert (Mr. Diefenbaker) with mixed feelings. He is certainly eloquent and humorous. He can fill the galleries, but I noticed that many did not stay for his entire speech. Nevertheless, he is always in the right place at the right time.

Mr. McGrath: Look at the galleries now.

Mr. Herbert: Quite frankly, he says very little. He spoke about this institution. I have heard the remark that the day he retires we will probably save four days each session. Considering the length of the speech he has just made, I am inclined to agree.

An hon. Member: That is an uncalled-for statement.

Some hon. Members: Shame.

● (1510)

Mr. Herbert: The opener in this debate spoke about Quebec Bill 22. I wonder what his qualifications are for talking about Bill 22, particularly when we consider what action should be taken to protect minority rights in other provinces. I found his comments on the constitution rather strange. The nub of the problem, surely, is that it is the desire of the vast majority of Canadians that we settle our own destiny in our own country.

Mr. Speaker, may I offer you my sincere congratulations upon your appointment. May I also extend congratulations to the member from my neighbouring constituency of Beauharnois-Salaberry (Mr. Laniel) upon his appointment as Deputy Speaker, and to the hon. member for Thunder Bay (Mr. Penner), and Louis-Hebert (Mrs. Morin) who will be assisting the Chair. I would ask you, Mr. Speaker, to convey to the Governor General the hopes of my constituents and myself that he will soon be fully recovered and able to resume his arduous responsibilities.

The mover and the seconder of the Address in Reply to the Speech from the Throne deserve our plaudits for their professional maiden speeches in this House. This is an indication of the calibre of the contribution which we can expect from the newly elected members.

The recent election has undoubtedly taken away the weight of uncertainty that characterized the twenty-ninth parliament. Action by government or opposition supporters was influenced by the daily possibility of an ending of that parliament. It is remarkable, and I am sure it will be so recorded, that so much was achieved under those extremely difficult and trying circumstances. I am proud that, though legislation tended to be either popular or relatively short-term, we can look back and say that it was a good job well done.

Now that the strain of minority government is removed, we can include long-term plans. I hope that an early step will be the revision of our rules, to improve our efficiency. It would take more than a supreme optimist to believe that under our existing procedures the more than 60 pieces of legislation which the government wants to present this session can be dealt with through to the stage of royal assent. Yes, there will be moans from the opposition about time to study. They tried that argument in the last session when they had a majority in each standing committee. So many of the opposition did not do their homework in the twenty-ninth parliament. With relatively few new faces on the other side of the House, I am not expecting much improvement in this thirtieth parliament, and that is a pity since I firmly believe that good opposition is essential for good government.

I am fortunate indeed to be the representative of one of the most interesting constituencies of this country. I sincerely thank the electors who have expressed their trust in me by sending me here for a second term. I hope I can render to all constituents the kind of service that they expect and deserve. The constituency of Vaudreuil is almost equally divided by language groups, French mother tongue citizens being a small majority. The constituency includes a large rural area, where the language used is mostly French. The soil is good and in addition supports many stables, so that the number of horses in the riding is considerable. Farming is mixed, with the emphasis being on dairy herds. The mainly urban area on the island of Montreal is one of the fastest growing regions in the country. The people in this area, who are mainly English-speaking, commute to the big city to work. An improved public transportation system is a major need.

The constituency of Vaudreuil probably includes, in total, as many sporting clubs and establishments as any other in the country. Very few sports are not actively pursued in this region. It is in part because of this local interest that I have been trying, and will continue to try, to persuade the government to form a ministry of sports so there can he much greater federal influence in this area. I believe that the present level of federal financial involvement is totally inadequate.

During the election campaign, the two subjects that were included in three-quarters of the questions posed to me were inflation and the future of agriculture in the province of Quebec. I intend to refer to both of these subjects later in my remarks. Quebec Bill 22 was also raised. Like the hon. member for Témiscamingue (Mr. Caouette), whose reference to the subject will be found on page 54 of *Hansard*, I think that people in the province of Quebec can well take care of themselves without Bill 22. However, the bill has been passed, and today I wish only to echo the sentiments expressed yesterday by the Prime Minister (Mr. Trudeau). His remarks can be found on pages 47 and 48 of *Hansard*. I heartily and enthusiastically endorse his comments on Quebec Bill 22.

A subject raised since the election has been the question of the sharing of police costs, activated by Quebec Justice Minister Choquette by letter to our Solicitor General (Mr. Allmand). As you know, I have taken a strong stand in support of Mr. Choquette—not on his figures, which I am not qualified to judge, but on the principle that financial aid obtained from the federal government to assist in a matter falling under provincial jurisdiction should be available, on a comparable basis, to all provinces.

Furthermore, I contend that the special protection which must be afforded Canada's two largest cities, Montreal and Toronto, is a national responsibility which should fall, in some proportion, on the federal treasury. Some members perhaps are surprised that I, a government supporter, would openly discuss a difference of opinion with a minister. That is one reason I am proud to be a member of the Liberal Party. We represent many differing opinions and we can be said to range all the way from left to right. I must admit that this terminology frightens me a little. If one supports increased pensions, one is left; if one supports a healthy industrial climate, one is labelled right. This is unfortunate, since each of us must use our abilities

in the areas best suited to our talents. Nevertheless, in the final analysis, and after full debate, we all accept the majority opinion of our party. We vote together. Diversity of opinion and solidarity of purpose is our strength.

Another matter raised since the election is the discussion, reactivated by the government of Quebec, relating to the transfer of the Ste. Anne de Bellevue veterans' hospital to provincial control. This has raised doubts and fears in the minds of both veteran patients and employees. The problem of shortage of nurses at this hospital has not been helped by the news of the discussion. The town in which this hospital is situated is also concerned, since federal compensation to this municipality forms a large part of its annual budget. Transfer of control could mean a cut in revenue of $200,000 per year. An early statement on the probable course of events at this hospital is imperative.

I stated earlier that I would be making some reference to the state of agriculture, specifically in my constituency but more generally throughout the province of Quebec. The British North America Act provides that parliament and the provincial legislatures shall exercise concurrent jurisdiction with regard to agriculture, subject to the provision that when a provincial law is repugnant to a federal enactment, the latter shall prevail. This means that a provincial statute cannot apply within the boundaries of the province whose legislature enacted it, if it conflicts with or duplicates a federal enactment. In other words, it shall apply only when the subject matter it deals with is not regulated by federal legislation or, if the said subject matter is regulated by a federal enactment, when it merely supplements the federal statute.

● (1520)

The power to legislate with regard to agriculture does not imply the power to legislate with regard to the disposal and marketing of agricultural products. It does not allow the federal government to legislate with regard to the disposal and marketing of agricultural products in any province, nor does it allow a province to legislate with regard to the disposal and marketing of agricultural products within its boundaries. If the federal government wants to legislate with regard to marketing, it must invoke the power it possesses to legislate with regard to trade and commerce, in which case its legislation, to be valid, must regulate international and interprovincial commerce only. As for a province, it can also legislate with regard to marketing, either because of its power with regard to property and civil rights within its territory or because of its residuary power over all things local in nature within its territory. The exact scope of provincial powers with regard to marketing is unknown, but it seems to include the creation of a marketing agency which shall be designated as the only buyer for a product which the local farmers want to sell on the local market.

The basis of Canada's national agricultural policy is the premise that "a stable agriculture is in the interests of the national economy and that farmers as a group are entitled to a fair share of the national income". Quebec's Department of Agriculture and Colonization has one overriding and clearly defined objective: it wants to make agriculture profitable and bring it into line with the social and economic needs of the 1970s. The over-all trend in Quebec agriculture is a declining farm population and a reduction in total farmland. In the last decade, the farm population decreased by one half. It would therefore appear that although the federal and provincial objectives are excellent and the jurisdictional responsibilities are reasonably definable, somewhere and somehow the respective legislative bodies are failing to meet their objectives. This problem must be tackled as a priority consideration by this parliament.

Questions in my constituency during the campaign, and since the election, on the subject of inflation fall into three groupings: government programs, regulations concerning the application of these programs, and the public service or bureaucracy which administers these programs. Regarding the programs, while there was often broad criticism it was difficult for me to pin down specific suggestions for change. Because, personally, I dislike generalizations, I am not bringing back to this parliament any ideas for change. However, the way in which the application of the programs is handled has been criticized in great detail. The three matters most mentioned are the Unemployment Insurance Commission's handling of the unemployed, the Local Initiatives Program, and the Opportunities for Youth program. All these emanate from the one Ministry of Manpower and Immigration.

It is not hard to understand the background to the criticism which originates in my constituency. There is a shortage of help in many skills, as well as a shortage of unskilled labour, and this in a province where the total rate of unemployment is too high. This shortage of labour covers all segments of the economy, such as industrial help, farm help and service help, and it is a natural reaction to criticize those thought responsible for this apparently inequitable situation.

The Minister of Manpower and Immigration (Mr. Andras) has told us that soon to be released is the report on what we popularly call the work ethic. If, as he suggests—and I do not have any reason to take issue with his statement—the general attitude of Canadians toward productivity is very healthy, then as a logical sequence he will have to find more efficient ways to get the unemployed into the job vacancies. With regard to the public service, the criticisms arise from publicity that has been given to the number of persons in the service. I had correspondence with the previous president of the treasury board and he knows I am far from satisfied with the approach that is being taken to establish the level of efficiency in the various departments. I intend to maintain communication with the new President of the Treasury Board (Mr. Chrétien) to follow closely the progress of the studies under way. Perhaps I should get off on the right foot by saying how pleased I am about the appointment of the hon. member for Saint-Maurice to this important post, and despite the timing I do make my comment most sincerely.

Last evening I had the pleasure to visit the newly redecorated Victoria Memorial Museum. I certainly recommend this display to all visitors to the capital city. This museum building was used by parliament after the great fire that destroyed our previous chambers. It was also in this building that Sir Wilfrid Laurier, who was elected from Soulanges county in my constituency, suffered a stroke.

In the few minutes remaining to me I would like to refer to the Senate. I am convinced of the need for a second review of all legislation. In the previous parliament there was, and probably there will always continue to be, an objection when the Senate returned a bill which had been passed by this House. Heated debate and emotional effect make a second look extremely important. However, to be fully effective and to achieve maximum efficiency, the manner of the appointment and the term of office of Senators must be reviewed. I am introducing a private member's bill that would vacate the seat of a Senator at the time of a general election, which would effectively limit the term of appointment to between 10 and 15 years.

I would also like to see a system introduced whereby the leaders of recognized parties would be consulted after a general election in provinces where Senate vacancies were created. These parties would have to obtain 50 per cent or more of the votes cast for the party with the greatest number of votes in that province. Such a system should heavily favour the elected government, but would also ensure reasonable representation from other parties.

I listened attentively when the Speech from the Throne was read, and although much of it is by necessity repetitious of the previous Speech from the Throne, I am most pleased with its content. Add to that the listing of the bills that are to be presented to this session of parliament and it will be readily understood why I look forward with keen interest and enthusiasm to the weeks and months that lie ahead.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, when I spoke for the first time in the twenty-ninth parliament I addressed my words to the youth of Canada. I do so again because I want to repeat my plea to them to have faith in the political and parliamentary process of our country. I want them to participate in the continued development of our country and to help make our society more human in an age when the computer threatens to submerge the individual. We are not at the end, but only at the beginning of a new century of development in Canada.

● (1530)

As we begin our work in this parliament, I wish to congratulate you, Mr. Speaker, on election to your high office. Your task is more difficult than the public may know. I wish you well and pledge my co-operation. I am delighted to see the table officers back in their accustomed positions. They perform invaluable work in this chamber.

It is a privilege for me to come here to represent again the people of Edmonton-Strathcona. We are an integral part of the vibrant city of Edmonton whose charms, business development and social and cultural services have been captured in a new, handsome booklet, "Edmonton", published by the Chamber of Commerce. Among the developments within Edmonton-Strathcona are three of current significance to the federal government. First, the old Strathcona Heritage conservation area, a fascinating project aided by Heritage Canada, which will both preserve and develop the core of our community; second, Fort Edmonton park, a very attractive reconstruction of the earliest history of Edmonton, well deserving of federal support; third, the relocation of the CPR Strathcona yards, facilitated by the railway legislation passed in the previous parliament.

I shall be working in the months ahead to advance these major projects which will have significant benefit for the people of Edmonton-Strathcona. But I want to place the interests of Strathcona within the larger area of the interests of Canada. It is essential for all Canadians to understand what is happening, not only in our own country but throughout the world. No longer is it sufficient for us to come into parliament and confine our interests to the area between St. John's, Victoria, and Inuvik. The whole world has become a community, and while it is true that we legislate only for Canada, it would be tragic if we failed to respond to the crisis of humanity that now dominates world concern.

The government's throne speech is not oblivious to this point. We read the following words in the speech:

> Canada is contributing to international measures to reduce the unjust and potentially dangerous gap between the rich and the poor. This will involve us not only in increasing the flow of financial assistance to developing countries but in re-examining other policies which affect our economic relations with the third world.

This paragraph, inadequate as it is, prevents the throne speech from being a total disaster in the area of international relations. The complacent tone of the throne speech betrays a lack of concern—it can hardly be ignorance—for the true state of the world today. The Secretary General of the United Nations, Mr. Kurt Waldheim, is warning us that we are in a "global emergency". Our times are characterized by an interlocking set of problems on a scale never seen before: mass poverty, food shortages, an energy-cost crisis, a continuing oppressive burden of military expenditure, inflation exacerbated by world monetary instability, and the prospect before us of a doubling of world population by the turn of the century.

These new problems are not simply extensions of old ones. As Maurice Strong, the distinguished Canadian who directs the United Nations' environment program, says, "they are of a wholly new character and require new perceptions and new kinds of responses." Here I welcome the appointment of the new Secretary of State for External Affairs (Mr. MacEachen) because he has revealed in the past sensitivity to the economic and social breakdowns that are a fall-out of technological excess. In a far-sighted speech to the University of North Carolina in 1971, the minister said:

> We begin to see that public problems bedevilling us are rooted in our inadequate world view and impoverished social ethic . . . Once man—the human person in community with others—is given first place in our perception, we begin to reassess economic systems and political ideologies in this light. We try to think through how systems can be changed to fit and serve people, not the other way round.

When to this philosophy is added the power to make Canada's foreign policy, I see a sign of hope despite the throne speech. When he was in New York for his first United Nations speech, the minister gave a press interview in which he said:

> We will seek out new approaches in an effort to reduce economic disparities in the world. I will have the department looking for new and imaginative developments in this field.

Mr. Speaker, in encouraging the minister to develop a more active Canadian policy "to reduce economic dispari-

ties", I want to tell him the answers are at hand. There is no need to grope in the dark. The global problems that have produced a suffering humanity in the developing nations have been analysed by the international experts. The United Nations has told us what must be done. What is required is strong political leadership by Canada and the other developed countries—a leadership that recognizes the moral, economic and social responsibilities of our technological power.

I want to propose two specific steps to help Canada more adequately to meet our responsibilities: first, recognize the new international economic order advocated by the United Nations; second, develop a comprehensive national population policy. These two steps go together. Let me explain. In the spring of 1974, the sixth special session of the United Nations General Assembly, dealing with the distribution of raw resources, pointed out that the bulk of the profit from the whole vast expansion of trade and wealth in two decades had, to an overwhelming degree, ended up in the pockets of the rich. The "trickle down" theory, by which the poor are supposed to be better off when the rich get richer, has not worked even in the context of the most rapid economic expansion in human history.

As the outstanding economist-environmentalist Barbara Ward puts it, the world economic system is proving unable to deal with two fundamental disruptions. She said:

> On the side of demand, it does not enfranchise the mass of the people. On the side of supply, it may not be able to mobilize sufficient resources at a tolerable environmental cost in order to check inflation and preserve the biosphere.

World debate is sharpening on what are called the two limits: the limit of endurance of human beings deprived of the essentials of life, and the limit of the planet's endurance of the rising claims made upon it. The way out of this dilemma is the systematic acceptance of distributive justice. This, of course, has long been talked about by a small minority of people within politics, religion and the social sciences.

Now the gravity of events has propelled the United Nations to take concrete steps to obtain it. The most significant of these is the General Assembly's adoption of the new international economic order. The new order is needed because the poor nations are falling farther behind in the development struggle. They are caught in the present crisis which is itself the outcome of all the problems that have accumulated over the years in the field of trade, in monetary reform, world-wide inflation and inadequate financial assistance for development. The new order thus attempts to resolve these outstanding problems through "a fundamental restructuring of the world economic system."

The capacity of the developing countries to produce and earn more must be expanded. Expanded emergency assistance and forgiveness of outstanding debts on the part of the developed countries are initial moves. This would prepare the way for structural changes in international relationships that would include such efforts as these—now I am going to make a very brief digest of what is proposed by what I call "international order"—first, to evolve a just and equitable relationship between the price of raw materials, primary commodities and manufactured goods exported and imported by developing countries; in other words, to work for a link between the prices of exports of developing countries and the prices of their imports from developed countries.

[Mr. Roche.]

Second, to reverse the continued trend of stagnation or decline in the real price of several commodities exported by developing countries—for example, cocoa from Ghana—despite a general rise in commodity prices, resulting in a decline in the export earnings of the developing countries. Third, to ensure that developing countries can import the necessary quantities of food without undue strain on their foreign exchange resources and balance of payments, to ensure essential imports, including fertilizers, from developed countries on favourable terms. Fourth, to improve access to markets in developed countries through the progressive removal of tariff and non-tariff barriers and of restrictive business practices.

● (1540)

Fifth, to increase participation by developing countries in the decision-making process of world monetary organizations, so that the international financing of development can be speeded up. Sixth, to formulate an international code of conduct for the transfer of technology corresponding to needs and conditions in developing countries. Seventh, to regulate the activities of multinational corporations so that they conform to national development plans in host countries, to prevent their collaboration with racist regimes and colonial administrations.

These and other steps are regarded by the United Nations as necessary for the establishment of a new system of international economic relations based on equity, sovereign equality and interdependence of the interests of developed and developing countries. In short, the new order provides an instrument for a world-wide partnership for economic and social development. There is a long way, however, between the United Nations advocating a new international economic order and its acceptance by the developed countries. There is no hint about this in the Speech from the Throne.

At the World Population Conference in Bucharest, Canada carefully avoided even mentioning the new order, even though many nations called for the World Population Plan of Action to be constructed within the framework of the new order. For example, Finland stated unequivocally that it supported the new order as "a prerequisite for the realization of the Plan of Action." This brings us to the need for a comprehensive national population policy, which in turn requires an understanding of the world population problem. The problem has a double thrust: rapidly expanding numbers of people in the developing regions of the world, and the high standard of living in the developed regions.

It took from mankind's first evolution until about 1800 to reach the one billion mark. We reached two billion in about 1928, and three billion in 1961, with four billion expected next year. Thus, the intervals for accommodating an additional billion human beings have fallen from 128, to 33, to 14 years. The time span continues to shrink. Demographers can now say with certainty that there will be seven billion people by the year 2000—nearly double the amount today. In 1972, world population increased by 71 million, the difference between 120 million births and 49 million deaths.

Medical and health advances have cut mortality rates at both ends of life; more babies survive and people live longer. Nearly half the population of the world is under the age of 15. There are now twice as many potential mothers alive as a generation ago. Even with declining fertility rates, world population will continue to climb and not level off until well into the next century at the earliest.

It may not sound serious when we state that world population is growing at an average of 2 per cent a year, but it is the cumulative effect and uneven distribution of this growth that makes it extremely serious. Most of this increase is taking place in the developing world, which already contains two-thirds of humanity. In many countries of Asia, Africa and Latin America are found millions upon millions of people who exist in poverty-stricken conditions.

Our understanding of the population problem is incomplete if we do not grasp the fact that the one-third of humanity in the developed nations consumes more than 60 per cent of the earth's wealth and resources. A baby born in Canada, where the population problem is not visible, will grow up consuming 50 times the resources and energy that a baby in the heavily populated developing regions will consume. This implies that the developed world is responsible for a much greater per capita environmental impact than the less developed nations, which naturally view this situation as exploitative.

Therefore, the problem in the third world is not population as such. Rather, the problem is extreme poverty perpetuated by the control which the developed world exercises over the bulk of the earth's wealth and resources. In taking for granted ever higher standards of living, which put such strain on the resource and environment capacities of the planet, the minority of rich get richer at the expense of the multiplying poor. The World Population Conference emphasized that large populations are not the cause of underdevelopment but are the result of underdevelopment. The population problem, therefore, concerns not just members but the quality and dignity of all human life.

Family planning programs alone will not solve the problem because, as we have seen, the problem is bigger than the number of births taking place. India and many other developing countries are telling the world that since poverty is the main cause of the massive increase in population, poverty must be eradicated. Then will follow a sharp decline in the rate of population growth. In the development countries, population stability has followed economic development. Family planning, when pushed by the west, can easily be construed by the third world as a device to salve our consciences without adopting structural reforms of world economic and social systems. As so many countries told the World Population Conference that family planning was not a magic panacea, the World Population Plan of Action was rewritten to put a heavy emphasis on "rapid socio-economic development" rather than family planning as the route to population stability.

On economic and social policies, the plan of action states that fertility rates have declined relatively slowly in developing countries partly because of "the inertia of social structures and the insufficiency of economic progress." Development efforts should be aided by the entire international community, and "attention must be directed to the just distribution of resources and to the minimization of wasteful aspects of their use throughout the world." Implementation of international strategies "should lead to a reduction in the widening gap in levels of living between developed and developing countries and would be conducive to a reduction in population growth rates particularly in countries where such rates are high."

The plan also proposes "more rational utilization of natural resources, without excess, so that some are not deprived of what others waste." Other recommendations call for high priority efforts to improve food production and develop new food sources, and international co-operation to ensure provision of fertilizers and energy.

The answer, then, to what constitutes a global population policy is indeed an involved one, reflecting the complexity of the problem. The United Nations' answer gives the highest priority to the protection of those already born. Implementing such a global policy—before it is too late—will challenge the ingenuity and moral strength of man as never before. In a world preoccupied with increasing worries about today, it is not easy to mobilize public opinion to support population policies the effects of which can only be seen over very long periods. That is why the attention of the people within developed countries must be immediately obtained, to get on with the job.

Because of our international reputation, technological capacity and wealth, Canada is in a unique position to give the leadership for which mankind is crying out. As Canadians begin to comprehend the full dimensions of the population iceberg, the help of non-governmental organizations will be especially valuable in not only transmitting ideas to the government but in developing public opinion.

Shortly before Bucharest, the Canadian Council on International Co-Operation brought together 280 representatives of 40 major non-governmental organizations who proposed an outline of a national population policy for Canada. The thrust of the recommendations made to the Canadian government was to be responsive to the social and economic needs of the world population in meeting our global responsibilities. The group set down some principles that I consider to be a firm basis on which to build a policy. I shall list just four. First, as a wealthy nation, Canada should set the example in reducing the growth rate of consumption of resources, increase our food production, particularly of plant proteins, and press for the development of fair global distribution systems for food products and natural resources. Second, administer a clearly stated immigration policy fair to all prospective immigrants, and stop promoting the brain drain of developing countries. Third, improve family life education and family planning services while recognizing that the widespread and growing use of abortion is the antithesis of the concept of family planning and reflects a lowering of respect for the value of human life. Fourth, give higher government priority to the social and economic development of the poor countries by more equitable trade, monetary and capital investment arrangements.

● (1550)

The recognition of the new international economic order and the development of a comprehensive national population policy are urgent steps to take if Canada is to meet the desire of the new Secretary of State for External Affairs to "reduce economic disparities in the world." It is time to replace band-aids with structural solutions. The United Nations World Food Conference in Rome, in November, is the place to demonstrate this new approach. Emergency food aid by Canada is necessary, but it will not be enough. The food problem does not stand alone. Measures to resolve famine must be situated within a total strategy of development. I appeal to the new minister, on behalf of those millions who see in Canada a sign of hope, to give this new leadership.

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my first reaction in looking at the House of Commons today is to see a combination of the old church and the new church. I see the old church in terms of the stained glass windows, and the new church in terms of the many empty pews that are evident.

Some hon. Members: Hear, hear!

Mr. Hogan: I think the hon. member for Edmonton-Strathcona (Mr. Roche) is a really good preacher. We must get to know one another better. I think the members of the House, regardless of political persuasions, would want to wish my predecessor, Donald MacInnis, the best of health and success in his retirement.

Some hon. Members: Hear, hear!

Mr. Hogan: As a member of a social democratic party, I would be remiss if I did not mention, with much respect, that great Canadian who represented the old Cape Breton South constituency as a CCF'er for many years, Mr. Clarie Gillis.

In listening to, reading over and considering the contents of the Speech from the Throne, I came up with the following observations for the consideration of the House. I first want to speak on the international financial crisis as it pertains to Canadian leadership. I find the throne speech, even given its traditional time limits, very deficient in not stressing for us members of the Commons and for all the Canadian people the serious international financial crisis which is presently upon us. It is true that there is a line in the speech about balance of payments problems and the rapid accumulation of large currency reserves by a few countries, but that reference scarcely brings out the urgency of the situation.

The combined monetary reserves of the importing countries at the end of 1973 aggregated less than $150 billion. An increased cost of oil by the OPEC countries suggested for January 1, based on inflation on their imported goods at that time, could lead to losses of reserves in the realm of $7 billion a month. This haemorrhage of reserves at that rate could quickly lead to an anaemic and mortally wounded international economy.

Because of the extremely serious implication of this still evolving confrontation between the oil producing and oil consuming nations, it seems that Canada as an important middle power should have long ago shown leadership by initiating attempts to get these countries together. If we had tried to play a role in creating a conciliatory environment, it might have avoided the harsh and threatening words exchanged by Mr. Kissinger, President Ford and some of the Arab leaders only last week on this issue.

Some hon. Members: Hear, hear!

Mr. Hogan: As a new member, I may be revealing an innocent naiveté, but it surely looks as if Canada missed a chance to play a limited but crucial conciliatory role on this matter of international oil producers versus consumers confrontation, fully more important to the world in the long run than helping to set up a Cyprus peace force. Even at home we have witnessed the Minister of Agriculture (Mr. Whelan) in a worth while defence of the need of the agricultural producers receiving a just price, and the necessity of marketing boards helping them do this, going too far and attempting to exclude consumer representation from any producer marketing boards, and thus indirectly promoting an increasing conflict between producers and consumers. Thus, as I see it, we as a nation have failed to help bring together the oil producers and consumers at an international level, and at the national and domestic level there has been a tendency to at least indirectly encourage a confrontation between farmer-producers and Canadian consumers.

Surely we have enough conflicts in our society between races, as we witnessed recently outside these walls, as well as linguistic, regional and labour-management conflicts and we do not need a minister of the Crown, with chauvinistic departmentalism, indirectly encouraging, even if inadvertently, another one. This type of talking and thinking seems even more inexcusable when we realize that, given increasing world-wide demands for food because of growing population and rising expectations, coupled with decreasing, scarce food supplies, the situation likely will require that this government will need nation-wide support in a serious attempt to revamp and overhaul much of our present agricultural policy. That is, of course, if Canada is to play an important role, not only in satisfying our own national needs but the needs of the developing countries for at least the next 25 years. I say this recognizing, of course, that in the longer run these countries will have to gradually learn to feed themselves.

I am confident that the world has the capacity to increase food production more rapidly than the growth of population, as it has in the past two decades. I am, of course, not an agricultural economist, but this view is expressed in the preliminary assessment of the world food situation, present and future, which was prepared for the World Food Conference to be held in Rome in November. Canada ought to have, for humanitarian reasons as well as for reasons of national interest, an increasingly larger stake in helping, through its food policy and other general trade and aid policy, the forgotten billions of human beings who live in the third world.

● (1600)

In mentioning the need for international aid, many hon. members probably saw the statement by President Perez of Venezuela in response to President Ford's recent plea

for lower oil prices. In an open letter to President Ford which appeared in the New York *Times* last week, the Venezuelan president reminded him, among other things, that the developed countries had some years ago made a commitment to give at least 1 per cent of their gross national product in aid to the developing countries. He pointed out to the United States president that this had still not been done. We in Canada, who are among the fat cats of this world, should consider it shameful that as of 1974 we have not fulfilled this obligation. Let us hope the present government, now that it has a progressive left wing Cape Bretoner as head of the external affairs department, will fulfil this promise during the life of the thirtieth parliament. It is, surely, the least Canada can be expected to do.

During the election, government spokesmen argued that inflation was largely an imported phenomenon and that little could be done about it except such things as indexing income taxes and pensions so as to relieve some of the worst effects. To judge from the Speech from the Throne, having been given a decisive mandate to govern, hon. members on the treasury benches seem so uncertain about what to do that they are talking about meeting all kinds of groups in Canadian society to find out from them what action the government should take. This suggests a series of mini summits which would be a pale imitation of the recent international summit meeting in which the President of the United States took part. In my opinion, it also suggests an abdication of the role of leadership which the party opposite has just been given.

Their spokesmen argued successfully before the electorate that they indeed possessed the capacity for decisive leadership. Let them now show it and govern this country and fulfil their mandate. We heard the Prime Minister (Mr. Trudeau) during the campaign proclaim that as well as seeking votes he was exercising his notion of participatory democracy in order to set the stage for action in the next parliament. Mr. Speaker, the next parliament is here. Hon. members and the Canadian people are asking for action, not for more words and public relations meetings without action.

We are all interested in that part of the Speech from the Throne which says the government is "conscious of the need for restraint". There seems to be an implication here that the Minister of Finance (Mr. Turner) will be using fiscal restraint when he hands down the budget. The Speech from the Throne goes on to say that the government "does not intend to deliberately generate slack in the economy to combat inflation".

It seems to me, Mr. Speaker, that Canadians have heard this song before. My mind goes back at once to 1969 and 1970. Surely the government has learned this lesson. It would be the poor, the working poor, the Atlantic region in general and parts of it in particular, that would bear a crushing and uneven burden if this path were again followed. I mention in particular a good deal of Newfoundland, which is surely due for some special and positive consideration on the twenty-fifth anniversary of its entry into confederation, as well as particular areas in New Brunswick.

With this Liberal policy of 1969-70 came the usual increase of unemployment in the Atlantic region which has become the earmark of our place in the Canadian confederation. In Cape Breton, for example, that policy helped to bring the unemployment figure to some 20 per cent, as reported by the president of the Cape Breton Development Corporation when he appeared before the Standing Committee on Regional Economic Expansion in 1973. In this connection I want to remind the government that in concocting the formula for this winter's LIP program, the office of the Minister of Manpower and Immigration (Mr. Andras) reported a figure of 16.6 per cent for unemployment in my constituency of Cape Breton-East Richmond, a 15.5 per cent figure for Cape Breton-The Sydneys, and a 15.3 per cent figure for Cape Breton-Highlands-Canso.

These were last winter's figures, and it would take more than "lip" service and LIP grants to prevent them rising to 20 per cent or even 25 per cent if the government pursues a policy of tight money and fiscal restraint which would see national unemployment increase substantially from the present rate of 5.3 per cent, seasonally adjusted, to the 7.8 per cent forecast for the fourth quarter of 1975 by the independent researchers of the conference board. In terms of the current labour force, this will mean an increase from slightly more than one-half million unemployed at the present time to some 780,000 people unemployed. Expressed by way of annual averages, this will mean the highest unemployment experienced in Canada for many, many years and will amount to the highest percentage figure in 13 years. We all recognize the dilemma which the government presently faces, but when it comes down to choosing between inflation and the rate of unemployment suggested, my colleagues and I would always have to choose what we consider in these circumstances to be the lesser evil—inflation. Why? I repeat, it is because government policy, designed to create unemployment, has always in the past, even in the very recent past, fallen most brutally on those who are most helpless.

Mr. Speaker, I apologize for having to read extensively from notes, but this is my first speech in this House. We all entered kitchens and living-rooms across this country during the last election campaign and looked face to face at human beings who in this seemingly affluent Canada lack money on which to live in 1974. There are people in this nation making trips to the supermarkets to look for bones for soup, as many had to do in the depths of the depression, scrounging for the cheapest possible cuts of meat, whenever they can afford meat at all.

These women and men, many of them old, some of them working poor, many of them native people, go from aisle to aisle in stores and supermarkets hoping they will not meet any of their friends and thus reveal the desperateness of their situation. Moreover, in my riding—as many national reporters testified during the last campaign—the housing situation is, for some, desperate and almost beyond crisis proportions.

● (1610)

As my time is drawing to a close, Mr. Speaker, in this my maiden speech in the House of Commons, I would be less than honest if I did not pay tribute to the hard working efforts of the Cape Breton Development Corporation to reverse an economic situation in that part of the world that almost seemed impossible as recently as eight

years ago. The corporation, which was set up in 1967, for which I among others, including the Secretary of State for External Affairs, fought hard to bring about, seemed doomed to failure in the early years. In recent years, buoyed by the Arab oil-jacking policy that breathed new life into the coal industry, with some solid support from the federal government and hard headed planning and work by Devco leaders, we have found ourselves in the position of being able to express the hope that this depressed economy within the next ten years, with the same government support and enthusiastic leadership, can see a complete reversal of the despairing situation that has existed for the residents of industrial Cape Breton for practically 50 years.

If this is to be more than a hope, then a decision by the federal government to co-operate in an equity position with the government of Nova Scotia in establishing a new steel complex in the Cape Breton industrial area, as recommended recently by the site location experts of the Steel Company of Canada hired by DREE, is an absolute necessity. This unique experiment in a depressed area in an attempt at rehabilitation, initiated by the federal government, in my opinion depends for its sucess on the establishment of such a complex. Such a complex will mean stability of employment in the coal industry that will fairly quickly be almost paying its way again, so that eventually that area and the proud and courageous people who built it will be making a more positive contribution to the tax coffers of this nation. It is up to this government to make sure this experiment that was carried out, popularly called Devco, will not be allowed to die for lack of proper investment funds.

On a final note in connection with the coal industry, many members of this House have heard my predecessor make claims on behalf of coal miners who were pre-retired between 1969 and 1971 as part of the federal government's package to meet the crucial problem that then existed. These men, in receiving their pre-retirement benefits, had those benefits reduced to the extent of their unemployment insurance benefits in the year following their retirement. In 1971 the Cape Breton Development Corporation changed its policy and now unemployment insurance benefits are not considered part of the pre-retirement benefit.

The previous members who represented this constituency took the case of the coal miners who were pre-retired between 1969 and 1971 to the courts against the Cape Breton Development Corporation. They lost the decision in the courts. Before that happened, the chief officer of the Cape Breton Development Corporation had offered to arbitrate with the pre-retirement committee representing these men. This offer was refused.

I note that the Minister of Regional Economic Expansion (Mr. Jamieson) is not in the House this afternoon. I hope some of his confrères will bring my comments to his attention. I plead with him to make funds available to the Cape Breton Development Corporation so that these miners who were pre-retired between 1969 and 1971 can receive a benefit to which I believe, while not being a lawyer, they are not legally entitled, but to which I believe they are morally entitled. I make the case for them in terms of morality rather than legality. I ask the Minister of Regional Economic Expansion to call a meeting with the head of the Cape Breton Development Corporation, Mr. Kent, and myself in order that we might rectify this situation as soon as humanly possible, and give these men their moral due.

The minister and members of the committee on regional development went on record in the last session in support of these men, and I ask now that this verbal support be translated into action in terms of payment to them that is, while not legally due on the part of the Cape Breton Development Corporation, morally due. God knows they need it and would appreciate it, as I found out during the last election campaign.

In part of my constituency there lives a hardy breed of men who, like other maritimers, make their living from the sea by fishing. The east coast fisheries are in serious straits, especially the inshore fishery. I promise to do my best to co-operate with the new minister of fisheries (Mr. LeBlanc) and maritime representatives from other fishing areas to help devise a short and a long-term policy for the maintenance and rebuilding of this industry, to prepare for a world, as we have previously noted, that is facing an increasing deficiency in food, especially in high-protein food such as fish. The fishermen in my area, from Glace Bay to Louisbourg through Morien, Main-a-Dieu, l'Ardoise and Bateson, are anxious to have the new minister meet with them to dialogue about their needs. During this session of the House we will be attempting to bring their pressing needs to his attention.

In concluding, Mr. Speaker and hon. members, may I suggest that the throne speech, as the expression of the government's supposed legislative program in brief outline, leaves a lot to be desired. It does not appear to represent an adequate response to the serious international and national problems that face our nation at this time. On a more positive note, may I express the wish, in this my first speech in the House of Commons, that this thirtieth Canadian parliament, which will likely last for four years, may go down in the history of this country as the parliament that, despite grave national and international problems, did most for the poor of this country, for the underdeveloped areas of this nation and especially for the needy countries in the world.

Merci beaucoup, monsieur le président, mes chers amis.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I hope you will allow me to congratulate you upon the election to your high position. Having known you as long as I have, I am sure you will bring honour to that position. I should also like to congratulate the mover and the seconder of the address in reply to the Speech from the Throne for their very excellent contributions.

Much has been said of CEMA and marketing boards in general. Let me be the first to say that I am, and always will be as long as I am a member of this House and a farmer, a strong supporter of national marketing boards. I suggest that they very closely represent the true concept of confederation, perhaps more than anything anyone else has attempted in this nation. These marketing boards are composed of producers all across this great land who work together not only for their own good but for the good of society. I say that regardless of what anyone has suggested.

We all realize that in our confederation which was created a little over 100 years ago there are still some problems. The Canadian Egg Marketing Agency has been in existence a little over one year and one might expect that there would still be problems. It is for this reason that I am pleased to note there will be public hearings by a parliamentary committee in order to determine the real facts in respect of what CEMA has been attempting, along with the real facts about what it and others have done.

● (1620)

Yesterday the Leader of the Official Opposition (Mr. Stanfield) referred to me as a shooting star. I have heard the Leader of the Opposition referred to as a model of the early experimental space ship called "Stasis," a Greek word meaning one who stands still. It was a rocket space ship which did not go anywhere. This Minister of Agriculture wishes to make clear from the start several points about his own personal life, because many things have been stated recently in the press. I can understand the feeling of members of the press about this character because many of them blame him for proving them so wrong on July 8.

It has been stated that I am a corporate farmer. I am not. I have only 216 acres of mortgaged land, with buildings which need paint. Some people have said that I am a chicken farmer. I have never in my life raised a chicken on my farm. They say I am a beef farmer. I am not a beef farmer. Never in 20 years have I raised beef cattle. They say I am a rich man. I want to say I have a richness that cannot be deposited in the bank: the bank will not accept it as collateral. It is a richness which I know is enjoyed by some other members of this House. It is the richness of the knowledge of having worked for people in an elected position. I am 50 years of age, but I have worked in this way for 29 years. This has included work in respect of co-ops, credit unions, farm organizations, municipal bodies, and so on. I have enjoyed every bit of it. I have the richness of knowing that I have done and can do something for my fellow man. This is a richness that no one can take away from me.

Mr. Alexander: This sounds like your maiden speech.

Mr. Whelan: I just want to put the facts straight, since certain articles have been written about me. I want to make clear that I have been on my own since I was six years of age. I was one of nine children, raised on the great sum of $45 a month called mother's allowance, during the dirty thirties when there was no medicare or anything of that nature. So when anyone says—and some have been guilty of this—that this farmer, this member of parliament, this minister, does not know what hard times are, he is not being factual. Sometimes I find it difficult to understand what people write about the actions of the government and the actions of this speaker. This reminds me of an editorial which appeared in the *Financial Times* of August 5. The article contained these words:

> It is time that federal farm policy took account of the fact that this is one of the most urbanized countries in the world. At the last census, 76 out of every 100 Canadians lived in cities and the farm population had dropped to 6.6 per cent from 9.5 per cent five years earlier.

If that were said about some other minority group in Canada, or some racial group, we would have every civil liberties group fighting for them. I take it from that article that people who produce the very fruit of life are nothing more than mere peasants—but not a sound is made. I am placing this on the record because these are the things that have been said. Everyone realizes that what I am saying is true. People would not dare say these things about some other minority group.

We hear talk about the waste of food. This was mentioned by the hon. member for Cape Breton-East Richmond (Mr. Hogan). I do not think any human wishes to see food wasted because this is deplorable whether it be by flood, by hail, by drought, by disease, by snow or by man. Farmers are food producers and creators of things, and they find this deplorable. I wish to make sure it is fully understood that I feel it is just as deplorable to throw away millions of tons of food every year in Canada.

In the city of Toronto there is a train that hauls away the food every so many days. It is taken to the garbage dump. In one week the city of Toronto throws away more food than has been thrown away in the form of eggs in a year. They feel they have the right to throw it away. A garbageman came to my office and said that he had something in common with me. He told me that I produce the food and haul it to the people, and he hauls it away from the people to the garbage dump.

It is estimated that the food that is thrown away in some of our large metropolitan areas—any of the large cities of our nation—would feed a city of the same population in the have-not world. Each day it is thrown away—and people could live on that little food in some cities. Some of us who have visited other countries in the world such as India and South America surely realize that what I say is true. I visited Lima, Peru in South America, several years ago: there were 500,000 people outside that city with no social services; they had nothing going for them. The companies which owned the fishmeal plants in that area were exporting the fishmeal and depositing the money at that time either in the United States, in Geneva or in some other country, rather than in Peru. The President of Peru made a strong appeal that we assist him in finding protein for his people.

We would find the same type of situation in India or in some other countries. Some people try to create the impression that the Minister of Agriculture, the farm population or the egg producers are happy that food has gone to waste. I suggest it is wrong to attempt to create such an impression. While we are talking about protein, and so on, I may say that according to the letters I receive and the things people say, they would seem to be under a misapprehension about what can be done with a certain quantity of eggs or with any product in the world in the way of food aid. Let us take dry whole eggs. An amount of $1 million will buy enough for a month for 127,000 children. Let us take wheat. An amount of $1 million will buy enough protein for 518,000 children for a month.

In respect of skim milk powder, $1 million will buy enough for nearly 300,000 children for a month. It is not as easy a matter as some people try to suggest when they say that this product could be put into food aid. The people who supply food aid buy it where their dollar will go the furthest. Although egg powder has a very high protein content, it is one of the most expensive types of product

that you can use. It is packed in five-pound tin cans, with nitrogen, and sealed. If the can is pierced, the product deteriorates quite rapidly. You can see the difference in price between the milk powder, which costs 55 cents a pound, and egg powder which is $1.75 a pound. Skim milk powder is shipped in 50-pound bags and the only time you have to worry about it is in times of high humidity, because it has a tendency to sweat inside the bag.

● (1630)

The purpose of our program is to assist other countries to become more productive. If anyone thinks that those countries want us to give food away, let me tell them that this is not so. You can bet your bottom dollar that it is not so. They themselves want to be sure that their people become more productive. Our product is sent to their country at a reasonable price; it is not just thrown away. It is only given away in cases of disaster. Our food aid program is excellent.

We show other countries how to produce their food, we educate them, and so on. Our programs are second to none in the world, mainly because of the productiveness of our farmers. That is why we have been able to play such a large part in providing food aid in the world. Let no one tell Canada, a small country of less than 23 million people, that we have to take a back seat to anyone. The only country which surpasses us in direct food aid is the United States of America.

Shortly we will be announcing some new appointments to the National Farm Products Marketing Council.

Some hon. Members: Hear, hear!

Mr. Whelan: These will include a consumer representative, a labour-oriented representative, and a businessman. We want people of high integrity, of fairness and understanding. I have no fear of persons of this calibre on this board because I am sure they will recognize what we are trying to do. I do not care who we have on this board, because any reasonable person will understand our aim and aid the competent members who are now on the board. This will make the operation of the National Farm Products Marketing Council better than it has been. Let me point out that it is a very new board; it was established only a few short months before I became Minister of Agriculture. I hope it will be recognized that we in agriculture have taken the lead and that we may expect representatives of the agricultural community to be appointed as members of other boards and agencies, such as the Canadian Broadcasting Corporation, the Canadian Transport Commission, the CNR and Air Canada.

An hon. Member: Why not?

Mr. Whelan: This is nothing new to agriculture in Canada. We have accepted scientific change and automation to a greater extent than any other segment of our society. No other segment of society has accepted it as well as we have. That is why so few of us in agriculture produce so much. When I, as Minister of Agriculture, say that I am proud of Canadian farmers, I mean that. We are the envy of nearly every other nation.

[Mr. Whelan.]

The minister of food production in China pointed out to me how lucky we Canadians are, being a nation of 23 million producing so much food that we can sell to China, a nation of 800 million people. He remarked to me that in our country only about 6¼ per cent of our population is occupied in food production, whereas in China nearly 80 per cent of their population of 800 million is in food production. He told me that our country is the most amazing country and our farmers a most amazing group of people. I agree with him; they are.

Some hon. Members: Hear, hear!

Mr. Whelan: For the past few weeks the news media have been full of editorials, stories and opinion columns about egg marketing. Many of the stories have been accurate but only a few of them have been complete and have told the whole story. Many of them are based on partial information and recommend action that would put our egg industry back in a state of total confusion and chaos. This is one of the prime reasons I believe there should be a full and complete investigation of the egg marketing situation, which is something I have said both inside and outside the House. I want all the facts to come out and all the truth to be told, not just bits and pieces here and there. The consumers of Canada want to know the full truth, and so do the egg producers. I have full confidence in the ability of members of the House to investigate the facts and to conduct a fair and complete inquiry.

I have said that administrative mistakes have been made by CEMA. That should surprise no one, because the agency itself has admitted that mistakes have been made. However, some other things have been said that warrant correction. I should like to answer some direct criticisms from Canadians who have written to me. The federal government has not made loans to CEMA, as was stated in many reports. Many news reports to that effect are false. There have been no subsidies and no grants other than the $100,000 provided as a start-up for any new national marketing agency, and there have been no hidden financial arrangements between the federal government and CEMA. The federal government is not managing CEMA; CEMA has managed on its own, just as has any other company set up under federal legislation.

CEMA has gained certain rights under that legislation. It must also meet certain obligations and carry out certain duties. They are clearly spelled out in the national marketing plan recommended to the federal government only after the National Farm Products Marketing Council held full and complete public hearings across the nation, and only after the council was able to satisfy itself and the federal government that a clear majority of producers favoured that plan. CEMA has admitted mistakes and has taken action to make sure that those mistakes are not repeated. As Minister of Agriculture, I was just as upset by the loss of eggs as anyone else, but I am willing to give CEMA a chance to prove itself, always keeping in mind that the agency must stay within the terms of their plan as set down in the law.

Statements have been made that eggs could be bought much cheaper in Canada if we could follow what is done in the United States. We can look at the prices between January and September 10th. In January of 1974, eggs in

New York were $1.01.6 and in Toronto they were 84.6 cents. In February they were $1.00.3 in New York, and 85.3 cents in Toronto. In March they were 90.8 cents in New York, and 88 cents in Toronto. In April they were 80 cents in New York, and 84.8 cents in Toronto. In May they were 66.3 cents in New York, and 77.7 cents in Toronto. In June they were 66 cents in New York, and 81 cents in Toronto. In July they were 71 cents in New York, and 79.1 cents in Toronto. In August they were 79.4 cents in New York, and 78.7 cents in Toronto; and in September they were 85 cents to 89 cents in New York, and 80 cents to 81 cents in Toronto.

These figures show that more stability was provided to egg marketing in the months when the agency has been in operation than ever before. History will show that the buying power of people in Canada for eggs may have been higher in 1971, when farmers went broke because they were selling eggs below the cost of production.

How could some of the mistakes made by CEMA have been prevented? Steps are being taken now to ensure that these mistakes are not repeated. There are people who are not satisfied with investigating the mistakes and errors of CEMA. Instead, they want to destroy the concept of the orderly production and marketing of farm products. Some of the things that have seen said about what I should do, and CEMA should do, put me in mind of the Texas hanging judge called Judge Roy Bean. Do you remember what he used to say, Mr. Speaker? He said, "We are going to give you a fair trial and then hang you". Some of the critics of CEMA do not want to go even that far. That is why I am so anxious for a public hearing to be held because I honestly feel, on the information I have, that the public will be satisfied when they know the true facts.

I want to remind people that egg producers have been trying since the 1930s to establish a national system of orderly production and marketing. I would remind them that the ten ministers of agriculture unanimously urged the federal government to set up national marketing agencies. Ontario even had a judicial inquiry under Judge Ross, who said he never saw anything so chaotic or unfair in his life and recommended that it be brought to order.

● (1640)

I would remind them that every political party in Canada, federal and provincial, has supported the concept of orderly production and marketing. I would remind them of the situation that existed before the national marketing agency for eggs was established, and I would add that the same forces exist today. A collapse of the national marketing agency for eggs would probably lead immediately to cut-throat competition among provincial marketing boards for their own provincial markets plus a share of the market in other provinces.

I would remind the hon. members of this House of the situation that exists today in the United States, where there is no form of orderly production and marketing for eggs and poultry products. Broiler producers are going through the most drastic cutback in production in American history right now. Hatcheries have cut egg placement for broilers by 12 per cent, which means that production will be cut back by 23 million pounds per week.

Bankruptcies are hitting the egg and broiler producers across the United States. According to George Watts, president of the National Broiler Council in the United States, the situation is a catastrophe. Three major companies have already closed part of their plants because they do not have the money to keep operating. Mr. Ed Covell, Jr., of Easton, Maryland, has cut back his production by 15 per cent. That cutback amounts to a million birds. Another major outfit in Maryland has gone broke. Otis Esham, the owner, says it happened so fast he is not sure what went wrong.

That is the kind of choice we have here in Canada: we have the choice of an open market, without any form of orderly production and marketing. That choice would mean that egg prices, broiler prices and turkey prices would go right out of the roof in a few months' time. It would mean that the economy would have to pick up the bills for the bankruptcies. It would mean that eventually the economy would have to pay the price to build brand new barns and brand new farms to replace the ones that end up in bankruptcy today. And who, I ask you, would benefit from that type of chaos? Nobody. Certainly not the farmers. Certainly not the consumers. Certainly not the economy of the country. That is why so much effort has gone into setting up a national marketing plan for eggs and turkeys and broilers here in Canada. And that is why a properly run marketing plan can, and should, benefit everyone in our economy, not just the producer and not just the consumer.

Mr. Speaker, I have a document here which was prepared by a very efficient person in my department before I became minister. It has been mailed to every hon. member, and I suggest they read it because it tells what a marketing board is supposed to do and explains it in a very good fashion. It was prepared by a Mr. Thomas A. Bennett. The document was mailed on Friday or Monday. I believe our efforts today should not be directed toward weakening or destroying national marketing agencies and plans, but toward improving their operations, and I am confident that the members of this House will come to the same conclusion when they complete their inquiry into the egg industry.

Some of the critics of CEMA have said there should be no production controls. Others have said there should be no marketing controls. Some have said that producers should not try to recover their full costs of production from the marketplace. But these criticisms strike at the very heart and principle of an orderly production and marketing plan for the egg industry. Without some form of production control, without some form of marketing control or some method to achieve a return that will over the long term at least cover the costs of production, we simply cannot have orderly production and marketing.

History will show that over the years egg prices have been stable compared with other food products. Some critics have said CEMA amounts to a monopoly in the market. But what is their definition of a monopoly? I find it hard to believe that we can have a monopoly when it involves more than 15,000 producers. I find it hard to believe that we can have a monopoly that excludes control over imports, excludes production from tens of thousands of small flocks, and excludes control over alternative

foods. That, my hon. colleagues, is less of a monopoly than any one of a hundred labour unions that exist in any part of Canada today. Look at the PCV licences given to trucking organizations, the licences given to radio stations and the other things that exist in our nation today which operate under federal and provincial legislation. Are we going to ask farmers to accept less freedom and fewer rights than we are willing to grant to other citizens in this country?

There are those who will argue that food is an essential item in our economy and that farmers cannot be given the same rights and freedoms as labour unions. As a former member of a labour union, I just do not understand that. But there are tens of thousands of unionized Canadian workers who are involved in the Canadian food system, and if they do not do their jobs they can disrupt our food supply every bit as much as production decisions made by our farmers; and their impact on our food economy can be much more abrupt and much more disruptive. The west coast grain handlers' strike and the Great Lakes shipping strike mean that billions and billions of pounds of food will never get to the starving people of the world. They will never catch up with deliveries, no matter what anyone says, especially as we are not far from the freeze-up of the Great Lakes.

I do not advocate an end to workers' rights to strike and to bargain for better wages and working conditions. But I do argue that it is irresponsible and unfair to grant rights and privileges to one group of society that we deny to other groups in our society and economy.

Canada's farmers are among the amost efficient, most productive and the hardest working people in our society. I think they deserve at least an even break to achieve a decent standard of living. That is what the movement to establish national marketing agencies for eggs, turkeys and broilers is all about. Yes, mistakes have been made. But what segment of society can claim that it has never made a mistake? What member of this House can claim he has never made a mistake? And some of the mistakes made have been far more costly to our economy than the errors of CEMA. What about oil spills, for example? Why should we demand that egg producers give up their right to control the production and marketing of their product?

I could be persuaded to really dig in my heels and fight every inch of the way to defend the egg producers' rights to run CEMA just the way that many other groups in our society have the right to run their own affairs. I have never suggested that farmers hold their products from the markets, Mr. Speaker. These people get into trouble because they are overproductive, and for no other reason. History shows that in 1971 they were getting 12 cents a dozen for their eggs at the grading station, but consumption did not go up in 1971. The then minister of agriculture paid $2,300,000 to farmers to kill hens in order to take them out of production because they could not find storage or markets or put them into aid programs.

However, I understand the importance consumers place on a continuing supply of top quality food at reasonable prices, so I have agreed to a full inquiry into the egg industry. Also, I have taken action that has limited the price producers can charge for eggs, particularly with respect to imports. But I do not intend to sell our egg industry down the river or to deny egg producers the fundamental and basic right to establish an orderly system of production and marketing for their commodity, if they want to exercise that right within the boundaries set out in the legislation approved by parliament.

Some people seem to be afraid that farmers will abuse their rights if they gain control over the production and marketing of their commodities. But let us look at the record for the egg industry. Egg prices in Canada averaged 84.6 cents a dozen at Toronto last January, while prices in New York were over $1.00 a dozen. Prices at Toronto averaged below New York prices for January, February, March, August and September. It is precisely because prices in the United States dropped in late spring and summer that they face the bankruptcies, production cuts and upcoming shortages which I mentioned earlier—no planning, no stability, nothing for their producers.

Egg producers have increased their productivity and efficiency much faster than society as a whole. As a result, the average worker in Canada today can buy 4.8 dozen eggs with one hour's pay, compared with 4.4 dozen in 1969, 3.4 dozen in 1966, 2.4 dozen in 1956 and 1.6 dozen in 1950. If the price of all other products had inflated by as little as the price of eggs, there would be no such thing as inflation in Canada today. Egg prices have remained low, mainly because egg producers have increased their productivity.

● (1650)

The Acting Speaker (Mr. Penner): Order, please. I regret having to interrupt the hon. minister, but his allotted time has expired. He may continue only if he has the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Whelan: I thank hon. members of the House for their courtesy, and will try to finish as quickly as possible. The record for eggs during the existence of CEMA has been better than the over-all record of the total consumer price index or the index for all foods. The consumer price index rose from 139.8 in 1972 to 150.4 in 1973. The index for all foods went up from 141.4 in 1972 to 162 in 1973. But when we look at eggs, we see that the index in 1973 stood much lower, at 136.5. It was only 22.6 points higher than in 1966, and only 27.2 higher than in 1949.

Anyone who says that the high price of eggs is the real culprit in the food basket is not being factual. I challenge the critics of the orderly marketing of our eggs to point to any other sector of our economy which has been able to hold the line so well between 1949 and 1973. As I say, the line has been held precisely because egg producers have improved their productivity. They have introduced scientific ways of taking care of chickens. As a result, production has increased and mortality reduced to practically nil. Research in the field over the years has led to a fantastic increase in the production of this high-protein food. We have come to expect such productivity increases in agriculture. That is partly the reason so many farmers have been put out of business.

Let me turn now to the selected leaks from the Forbes report. Nobody can get that report. At least, I cannot get a

copy of it. I asked for a copy and was told that the report will not be published until mid-October.

Mr. McGrath: I will send you a copy of it.

Mr. Whelan: You can't get a copy. The public cannot get a copy, but reporters working for the *Financial Times* and the Toronto *Star* got selected leaks. Those selected leaks add up to a straight smear job. The report allegedly says that higher food prices will not help the farmer. I wonder if the writers of such an alleged report believe that economists would be better off if their salaries went down. I wonder if they believe all Canadians would be better off if the return on their labour and investment went down. Try telling the farmers of Canada that they would be better off if the price of their produce went down. You know what the answer would be. It would be a dead halt to farming in Canada, with no more grain, no more beef, no more dairy products and no more fresh fruits and vegetables.

You hear people talking about the production of chickens and eggs in the same way as they talk about the production of other commodities. Well, chickens are not like other commodities. For example, look at a factory which makes television sets or cars. The people running it use computers and marketing specialists to judge demand. On the basis of the advice they are given, they produce so many cars, refrigerators or television sets. What happens if they make a mistake in forecasting? They turn the production-line off and put their men on unemployment insurance. In the case of eggs, if there is a mistake we all pay, because everybody pays for unemployment insurance. On the other hand, if the farmer loses he pays for his own loss. You can't turn a chicken off, like a machine. Has anyone ever tried? You just can't turn him off.

An hon. Member: No, you just can't turn off.

Mr. Whelan: The chicken, which if fed high protein food just cannot be turned off. I did not mean to refer to the male species of the chicken. You can only stop a chicken from laying by chopping off its head. That is the least costly method. Regardless of what is said in this so-called report just referred to, a copy of which I have not been able to get, in my part of the country a lot of egg producers run their operation as a family venture. Judging from what has been said, one would think such people have gone on unemployment insurance. Our farmers are growing older. The average age of farmers in this country is close to 60 years. There are more senior citizens in farming than in any other occupation. Do you think they stay in it for so long because there is so much money to be made? There is no pension available for them and they must keep on producing. Some people think a chicken is a machine. It is probably a much more efficient machine for turning grain into a high-protein food than one which any scientist could devise. A chicken produces one of the best foods in the world.

The writers of the report allegedly say that 80 per cent of our farmers should be shoved off their farms and put on the public dole. Since there is so much talk about how much farms should produce, perhaps we could look at the universities of Canada. Ten of our biggest universities are turning out nearly 50 per cent of all students. If we adopted the philosophy of efficiency as set out in the report, the inefficient, smaller universities would be shut down. Furthermore, carrying the comparison further, egg producers are not indentured as some professors are. Our egg farmers do the best job in the world in creating something the consumer needs. Should anyone cut their income? Try doing that to university professors who are indentured. They enjoy more security than members of this House.

The world needs Canadian farmers, Mr. Speaker. They are the best, the most efficient, the most productive farmers in the world, considering the climatic conditions they work under. This country needs good farmers a heck of a lot more than it needs half-baked economists or half-baked economic reports.

I believe some hon. members opposite know a fellow named Dalton Camp. A few weeks ago that gentleman wrote a column in the Toronto *Star* about the beef industry. I expect a few members opposite wished he had never written that column. Mr. Camp said that beef prices should have been forced down in this country. He wanted beef prices forced down at a time when producers were already losing $100 and more for every head sold to the meat packers. He wanted the federal government to brew a recipe of certain bankruptcy for every beef producer in this country. Why, Mr. Speaker? So that consumers could buy beef for a few cents a pound less for a few months. And what about the long term? Mr. Camp didn't mention that his policies would force beef prices right through the roof two or three years from now. He didn't mention the fact that thousands of Canadians who work in the beef industry as meat packers, truckers and butchers would be thrown out of work. He didn't mention that Canada would then have to depend totally on imports of beef supplies in the future and probably pay a lot of money for low quality meat.

He also did not mention, when alluding to the use of DES, that the Department of National Health and Welfare was against its use. If he had talked to officials of the department here in Ottawa, I am sure they would have told him that they were against its use. That department, and not the Department of Agriculture, wanted to ban the use of DES for the protection of human beings in Canada. The only country in the world which allows the use of this substance is the United States. He didn't say that in his column, but tried to intimate that the ban was a gimmick which we used to protect the cattlemen.

● (1700)

Mr. Camp implied that the Canadian Cattlemen's Association contributed money to the Liberal election campaign, but he did not bother to check his facts with the Canadian Cattlemen's Association or with the Liberal Party. The Canadian Cattlemen's Association set the record straight, but only after the damage had been done. In a letter to the editor of the Toronto *Star,* Charles Gracey of the Canadian Cattlemen's Association said that not one penny was contributed to any political party during the last election campaign. I wish Mr. Camp had used his connections within the Conservative Party to check his facts with a former president of the Canadian Cattlemen's Association, the hon. member for Medicine Hat (Mr. Hargrave). I expect that the policies the federal

government has implemented for the beef industry are closer to the policies of the hon. member for Medicine Hat than they are to the policies put forward by Mr. Camp.

Ministers of agriculture and ministers of consumer and corporate affairs have asked for an inquiry into the beef industry. I understand this will also be asked for by the first ministers of the four provinces concerned. We are taking a very hard look at an inquiry into the beef industry because there is utter chaos there at the present time. I receive many letters from beef producers setting out what they are receiving for cattle, how they are being bought, and many other things. They may not all be right, but they certainly cannot all be wrong. I hope to be able to make an announcement shortly on the action we intend to take in accordance with the request of these people.

Some hon. Members: Hear, hear!

Mr. Whelan: Hon. members who represent ridings where farmers and agriculture are important to the local economy know that this country needs to return farmers and agriculture to their proper place in our national society and economy. I wish to put the record straight. The riding I was re-elected to represent is 88 per cent urban. I am sure the members of the New Democratic Party realize this. That is why they threw all their weight behind the president of local 444 of the Chrysler union in an attempt to defeat me. I got the biggest urban vote ever. I said the same things to the people of that city as I am saying here. They realized what I said was right and better for the nation. That is not what the other candidate said. Some people who represent rural ridings should check to see what he did say. I am referring to representatives of the NDP. Those representing rural areas realize that maintaining high agricultural production is most important.

One of my main concerns is what we are doing to our producers through some of the things we are saying. If we destroy the morale of any person who is a productive entity, we will not get any production out of him. I appeal to everyone, when talking about the agricultural industry, to be factual, honest and straightforward. This country needs to return farmers and agriculture to their proper place in our national society and economy. We cannot have anyone, let alone editorial writers who do not sign their names, saying, "What is the matter with the government? They are only a minority. Why don't they forget them?" They know that the policies and programs put forward by this government during the last election campaign are headed in the right direction. Those hon. members know that wage and price controls on farm products would be a disaster. They know that farmers need incentives to increase production. The Leader of the Opposition knows that better than anyone.

They know that farmers need some guarantees of stability for the future. They know that young farmers need assistance to establish viable farms. These are all programs and policies this government intends to present to the House of Commons for approval. People are beginning to see the points I have been making. Last night a local television station showed a farm here in Ontario that is going to be paved over soon because, as I have said all along, our priorities have not been on agriculture and food and farmers but on highways and parking lots.

The hon. member for Cape Breton-East Richmond (Mr. Hogan) spoke about the world food meeting which is to take place in Rome. I attended the FAO meeting last year. I can say that the farmers cannot be blamed for poor world distribution of food. Society as a whole has not accepted the responsibility of assisting those who are not as fortunate as we. In some instances people think it is morally right to throw away almost as much food as they buy. Not many think it is morally right, but some do because they continue to throw away large amounts of food. When I attended the FAO meeting last year I did not meet one minister of agriculture who was a farmer. Therefore, the farmer certainly cannot be blamed for poor world distribution of food.

I have said the farmers of this nation will increase their productivity by 50 per cent in five years if they are given a decent return for what they produce and a guarantee that they will receive the same as the rest of our society wants, demands and receives. Some people do not think that is necessary for the agricultural industry.

Some hon. Members: Hear, hear!

Mr. Whelan: We know that if we could control wild oats in western Canada, in one year we could increase our cereal grains by $1 billion. This would require added fertilizer, better seed, and so on. If the incentive were there, we could increase our productivity in western Canada by 50 per cent in five years. We know the beef industry increased by nearly 10 per cent every year until this year. That is a 50 per cent increase in five years. We also know that we can increase productivity in our industry because of automation and other things that go along with productivity.

As one hon. member previously mentioned, it is not the farmer's job to give away his turkeys. That is the job of society as a whole. Farmers will participate in it. It has been proven in western Canada that they held over 30 per cent of the world stock of grain without receiving any compensation. We are able to take our place in food aid mainly because of our farmers, their productivity and the fact they store grain on their own. They do not receive any help from the do-gooders who run around this nation challenging anything and everything. I would sometimes like to check their bankbooks to see their donations to CARE or other food programs. I am very suspicious of some of those people when they make so much noise.

Some hon. Members: Hear, hear!

Mr. Whelan: I welcome the comments of hon. members. I welcome their sincere criticisms and efforts to improve the programs and legislation we will introduce. The farmers of Canada expect this parliament to take action on the policies and programs outlined during the last election campaign. I look forward to your co-operation in getting on with that job.

Mr. McGrath: Mr. Speaker, I rise on a point of order. We were kind enough to let the minister go beyond his time. Perhaps he will permit a question.

The Acting Speaker (Mr. Penner): The hon. member can ask the question and the minister can agree to answer,

but that would extend his time still further. It will require the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Mr. McGrath: I thank the House for the unanimous consent. What prompts my question is that the minister's speech was supposed to contain all the answers regarding the egg affair. My question to the minister is this: why was it necessary for CEMA to allow 28 million eggs to rot, and why is the minister withholding from the House the results of the special study undertaken by the Farm Products Marketing Council which he commissioned early this year, and which has been in his possession since early April?

● (1710)

Mr. Whelan: Mr. Speaker, the hon. member has used extreme figures—28 million eggs, which is equal to 88 tons of protein, out of a total production of 5.7 billion eggs, or 475 million dozen or 32 million boxes or 16 million cases or 32,000 rail cars of eggs produced in Canada in one year. And out of that total production less than one half of one per cent was lost.

Mr. McGrath: It was 15 per cent of CEMA's total.

Mr. Whelan: The hon. member, who is, I am sure, a realistic person, knows one has to consider total production. Where any perishable commodity such as eggs is concerned, over production by as little as one per cent can cause utter chaos in the marketplace.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, it is with pleasure that I rise to take part in this debate. Before going further, I wish to congratulate you, Sir, upon your elevation to the position of Speaker. It is a position which I know you will fill with dignity and with fairness to members in all parts of the House.

I wish, also, to congratulate the mover, the hon. member for Montmorency, (Mr. Duclos) and the seconder, the hon. member for Vancouver East (Mr. Lee), of the Address in Reply to the Speech from the Throne on the capable manner in which they have represented their constituencies.

The first session of the thirtieth parliament meets at a time of great uncertainty within Canada. I think that the 30-member riot squad of the RCMP and the 100-man Canadian Forces guard which were required to deal with the riot on Parliament Hill on opening day are symbolic of the unrest which exists not only among Canadian Indians but also among other segments of society throughout the length and breadth of the country.

Some hon. Members: Hear, hear!

Mr. Crouse: It is wonderful to receive that applause. I hope some of it is for me.

At one time we were known as a peaceful country full of patriotic love for our traditions and our symbols, the true north strong and free. But times have changed and there are many Canadians today who feel, as I do, that they have not changed for the better.

Speaking of symbols, one which we hold dear is the Canadian beaver. It is pictured as a strong, energetic animal, a worker and a builder. What is implied is stability. All this is true, of course. Canadians are supposed to be like the beaver. However, the beaver has one strange characteristic. In order to build his dam he must first cut down the trees adjacent to the site with his teeth. All goes well with the beaver as long as he is chewing and working, but if he stops chewing his teeth continue to grow at a phenomenal rate. Soon, he is unable to open his jaws either to chew trees or to eat the food he requires. Eventually, he dies of starvation, in the midst of plenty, all because he stopped working and producing.

I believe the analogy of the beaver may well apply to Canadians at this stage in their history. For years the government has adopted policies which tend to curb rather than increase production. This impression is reinforced by figures contained in the booklet "How Your Tax Dollar is Spent" for the year 1974-75 which show an increase in expenditure from $10,767 million in 1968 to a proposed $29.3 billion in the fiscal year 1975. A large proportion of the increased expenditure went toward nonproductive, bureaucratic empire building, with the largest percentage of this occurring right here in Ottawa. Now we read in this year's Speech from the Throne the words of a subservient, frightened cabinet stating, and I quote:

> For Canada as well as for most of the world the most serious problem is inflation; it is necessary to deal with its causes and to mitigate its effects.

Of course inflation is not becoming less evident; every financial paper in the country is predicting that it will become even more serious than it is today. What happened to the glib election-time assurances by the Prime Minister (Mr. Trudeau) that he is wrestling down prices? The Speech from the Throne warns about the impact of higher oil prices, the adversities which have fallen upon crops in Canada, the failure of industrial commodities to fall in price as expected, declining industrial production, record interest rates and industrial unrest.

Obviously, though, this new awareness of the seriousness of the situation is not matched by any program of action. The Speech from the Throne is nothing more than a proposed five-year plan, a rehash of promises which sadly lacks the one ingredient the situation so urgently requires, namely, leadership.

Weakness in leadership has been the trademark of the Prime Minister ever since he took office in 1968. Like a rudderless vessel, the ship of state has been drifting, buffeted by every economic wind that blows. Instead of laying down a course to be followed, the captain of this ship keeps asking questions. However, neither his first mate, the bosun, or any of his executive officers will give him any worthwhile answers. They need only look at what happened to the former minister of national revenue, the former minister of public works, the former minister of consumer and corporate affairs and the former minister of state for multiculturalism in order to see what happens if you talk back to the skipper.

This lack of direction is evident in the Speech from the Throne. Having admitted that inflation is far more serious than it thought six months ago when preparing the budget, the government nevertheless offers Canadians the

same old economic strategy, namely, appropriate fiscal and monetary policies, the raising of pensions to protect those least able to protect themselves, together with measures to soften the impact of soaring oil prices and cushion the economy against increases in the prices of other commodities. The speech contains at least one ambiguous promise. On one page we find the statement that the government will "exercise restraint in its own expenditures" while on the very next page we read:

The government does not intend deliberately to generate slack in the economy in order to combat inflation.

Which of these statements are we to believe? Hon. members can search as they may; they will not find a single specific federal commitment to set an example by tracking down wasteful spending.

I would be the first to agree that some of the policies set out in the Speech are commendable. However, they will be nothing more than sounding brass and tinkling symbols unless the government can conquer the meanest thief of all, namely, inflation which is threatening the very foundation both of our economy and of our society. Obviously, the government is unaware of the gravity of the situation. I say this not only because of the ineffective nature of the proposals put forward by the Prime Minister but also because of the attitude taken by his heir apparent, the Minister of Finance (Mr. Turner), when he stated at his informal news conference early in September that there would be no recession and that Canada would experience a real growth this year amounting to 4½ per cent.

● (1720)

The Minister of Finance (Mr. Turner) made this prediction despite the fact that every economist in the land sees little hope for significant real growth in our economy for the rest of this year and for most of 1975. In fact, at a recent meeting of economists in Montreal it was predicted that inflation will continue at its present 11 per cent rate while our national unemployment rate will rise to 8 per cent. This, of course, would be nothing new for Atlantic Canada, for in August of this year our unemployment rate stood at 9 per cent, which is some kind of tribute to the inefficiency and lack of effectiveness of the policies planned by this government for Atlantic Canada.

At this same news conference, the Minister of Finance did break the news gently that the cabinet will be delaying the implementation of some election promises. He said:

Some social programs and some housing programs may be moved ahead toward the end of the current five-year mandate.

In other words, the promises and programs solemnly pledged for the purpose of getting votes in the July 8 election can now be shelved or postponed until just before the next election. If it were not for the human tragedies brought about by the Liberal Party's broken promises, which mean broken dreams for many Canadians, the finance minister's statement would be almost humorous. I say this because his own leader is reported as saying in Vancouver on June 5, 1974, as reported on the front page of the Halifax *Chronicle-Herald*, "Trudeau tells voters to be skeptical of promises". The article reads:

Prime Minister Trudeau yesterday began phase two of the Liberal campaign by telling voters to be skeptical of political parties with election promises.

[Mr. Crouse.]

From now until election day the Liberals would elaborate on policies and programs that had already been made public, but there would be no new promises.

"We'll show you how our platform is not invention for an election," he told audiences both here and on Vancouver Island.

The whole thesis of the campaign was that Liberals were running on deeds, rather than promises.

Later in the same article the Prime Minister (Mr. Trudeau) is quoted as stating:

"We're not just coming up with invented ideas at the last moment," he emphasized.

He was campaigning with the candidate from that area, Dr. Oberlander, who, as the article states:

—accompanied Mr. Trudeau, interrupted a group of young boys tossing a basketball through a hoop.

He tried, and missed. He then encouraged Mr. Trudeau to take a shot, but the Prime Minister declined, saying he wasn't an exhibitionist.

My, Madam Speaker, how things have changed. That statement was made on June 5, 1974. However, by June 29 the Prime Minister had changed his tune. Promises were made and on the strength of them the Liberal Party improved its standing in Atlantic Canada and elsewhere. On the strength of those promises the Prime Minister and his colleagues received a mandate to go ahead, unhampered by a minority parliament. In Atlantic Canada all the Liberal candidates pledged themselves to 34 action programs to increase wages, to stimulate growth and to cut living costs in the Atlantic provinces.

These promises made by the Prime Minister, backed up by the Liberal premiers in Atlantic Canada, must be a prime consideration of this government. Even though we were told by the Prime Minister to be skeptical of his promises, the people in Atlantic Canada believe easily what they hope for earnestly, and they took him at his word. I say these promises must be kept, for Atlantic Canada lags behind the rest of Canada by all measurements, including that of per capita income. Yet at the same time prices in Atlantic Canada are as high or higher than those in other provinces. It therefore follows that this as an area, and especially my constituents, has less to spend while trying to keep ahead of runaway living costs. You promised action programs. Action programs are essential and must be the government's number one priority.

These are the words and promises of the Liberal candidates as they sought office in Atlantic Canada in July, as advertised on June 29. Listen to what they had to say:

Every action taken and program initiated by the Atlantic province Liberal candidates and Prime Minister Trudeau will ensure that the complex fabric of our economic, social and cultural life developed over generations in the Atlantic provinces will be preserved and strengthened for the people of this region. Our efforts must maintain strong rural communities, strengthen and expand local industries, improve family farm operations, revitalize our fisheries and continue and increase social improvement within the Atlantic environment.

I could not have stated our problems in more fitting words, and having recorded them in *Hansard* I would remind this Liberal government that they are not to be forgotten in the weeks and months ahead. We must not forget, for example, the promise to lower income taxes for those earning less than $14,000 per year. We must not forget the promise to provide a home ownership savings plan that allows savings up to $10,000 tax free for use as a down payment on a first home. We must not forget the

promise to provide transportation links and facilities to assure adequate power supplies at the lowest possible price throughout the Atlantic provinces, or the promise to develop an across Canada oil pipeline, extending it beyond Montreal to the Atlantic provinces.

We must not forget the promises to provide special funds to assist rural industrial development; to continue the decentralization of the federal government to better serve the residents of the Atlantic provinces, providing more jobs in the process—and I hope the Minister of National Defence (Mr. Richardson) is listening. We must not forget the promise to examine regional wage policies to ensure equity for all public service employees, something that has not been done for generations in our area. We must not forget the promise to provide assistance to the shipbuilding industry, or the promise, in co-operation with the provinces, to provide a complete network of all-weather highways through the Atlantic region, connecting to major markets in central Canada and the United States.

We must not forget the promise to expand the interprovincial ferry service, with new modern ferries for Prince Edward Island, Newfoundland and a replacement for the Yarmouth ferry, the *Bluenose*. We must not forget the promise to ensure an adequate reserve of freight rail cars for the shipment of Atlantic products and to develop three deep water ports in the Atlantic provinces. We must not forget the promise to invest $150 million over the next five years to provide better breakwaters, wharfs and haul-outs, to provide a new assistance program for vessel and gear improvement, and to implement an income stabilization plan for fishermen to ensure a reasonable average level of earnings.

We must not forget the promise to extend CMHC housing programs to rural parts of the Atlantic provinces and to provide increased financial assistance to the provinces for land assembly programs. We must not forget the promise to provide a $3 million program to promote and market agricultural products from the Atlantic provinces and to provide a special loan and grant program to assist and encourage family farm operators to modernize and improve their farm operations. These promises, and many more—and I will not burden the House by reading them all—must not be forgotten.

Neither must we forget the Prime Minister's special policy on fisheries as announced on June 21, 1974. His 17-point program covered the waterfront, from extending Canada's jurisdiction for fisheries to the edge of the continental shelf and slope to providing incentives so that fish catches are processed in Canadian plants, a program which would be very helpful today in Nova Scotia.

These are some of the solemn pledges they made. They won votes for this government, and the Prime Minister and his colleagues have had ample time to enact these promises into legislation. I, for one, Madam Speaker, as well, I am sure, as my colleagues from Atlantic Canada, intend to hold this government to its promises—promises which the Liberal party has claimed can be the salvation of an area neglected and discriminated against since confederation.

Mr. Stanfield: They have already been repudiated.

Mr. Crouse: As my leader has said, some of them have already been repudiated because I do not believe many of the promises made by the Liberal Party as priority items were included in the Speech from the Throne. I would point out to you, Madam Speaker, that promises without performance will do nothing for our people.

During this inflationary period we have heard much about the cost of food and the impact of rising food prices on our urban society. I am very happy to be following the speech of the Minister of Agriculture (Mr. Whelan). When considering this matter, I believe we must be realistic. I believe we must take a long-term view of the problem. Canadians, in their own self-interest, must protect their agricultural industry and their supply of food. Obviously, consumers must pay a reasonable share of their income for food now so that our farmers can stay in business, or in a few years' time there will be even greater shortages and consumers will have to pay unrealistic prices by today's standards.

We have heard much in recent weeks about the spoilage of eggs. Canadians will not condone the mistakes made by the Canadian Egg Marketing Agency in allowing this to happen. However, this is only the tip of the iceberg and points up the need for closer supervision of our food stocks once they are produced, as well as the need for improved storage facilities. Our surplus eggs should have been made into egg powder, as they were in war time, and either stored for future use in times of scarcity or donated to the millions who are today starving in developing countries. There is absolutely no excuse for allowing food, once produced, to rot and be destroyed when we consider that right now, while I am speaking in this House, millions of people are starving throughout the world.

● (1730)

However, I hope that the officials of the Canadian Egg Marketing Agency have learned a lesson from their mistakes and have taken steps to make certain that they will not happen again. I say this because the world's population is increasing.

We are told that the next generation will have to produce twice as much food because the world's population is expected to double by 1980. Other expectations and demands are also doubling. But the weather is not co-operating. All the productive land is now being farmed or utilized, and the possibility is being discussed of farming the vast areas of muskeg in Northern Canada. This, of course, would require tremendous expenditures in labour and energy, and if the world's supply of food for increasing populations is to be sought from these latitudes, the cost will be so excessive that the world's standard of living must go down and down.

For every problem there is a solution and I believe that if Canada is to play its role in meeting the challenge of feeding a hungry world, then this country will have to give agricultural development the same priority in future years that it has already given industrial development.

The present government, in establishing new priorities for agriculture, must give consideration to the organization and application of our human resources. I realize that in our so-called free enterprise economy we cannot force people to work on the farm. But the fact that a majority of

our labour force accept urban employment in preference to working on farms reveals something about our over-all attitudes, priorities and incomes. Canada, and this government, will also have to give a high priority to improving agricultural productivity through research into new agricultural technology and the provision of capital to farmers so that they can use the new technology.

All of the points I have raised, namely, the supply of arable land, the supply of farm labour, the supply of credit or capital, have become problems for Canadian agriculture, because Canadian agriculture has been at a disadvantage in competing for these resources against the financial power of consumerist, urban, industrialized Canada. Before Canada as a whole can change its priorities toward agriculture, it is necessary for urban Canada to realize that the world is facing a first-class crisis in meeting the need for food.

I do not think many Canadians realize this fact. The stark reality of massive food shortages was made evident to me in January of this year when I visited India, where thousands are dying every month because of malnutrition and a lack of food. In Canada we possess so much that we have not felt to the same degree the impact of the energy, food and other commodity problems falling on most of the world.

The potential for higher food production in Atlantic Canada, and especially in Nova Scotia, is higher than at present, but this potential can only be realized if farming is made more attractive to existing farmers and to our young people. If production is increased beyond our own needs, the surplus will always be in demand somewhere in the world, provided we have the necessary infrastructure established in our marketing and distribution system to take care of it. The ocean washes our shores and we are able to use water transport to the markets of the world. There is also the fact that we are next door to the richest consumer market on the globe.

However, for our Canadian farmer to go ahead under present circumstances and plan maximum production would be to invite financial ruin. He could easily find himself with fields of bountiful crops and no place to sell them. This has happened in the past even when demand was high. Foods must be warehoused, protected and processed, and it may be months from the time of harvest to the time of consumption, not to mention the thousands of miles in distance between the producer and consumer. The farmer as an individual cannot provide what is required in either a regular flow of machinery, seed or fertilizer. Neither can he provide the warehousing, processing and transportation facilities required. Let's face it. Due to the risk nature of his industry he cannot be expected to take all the risks when dealing with the corporate world.

I, as a free enterpriser, am generally opposed to government intervention in trade and business. As a general rule, speaking as a Progressive Conservative, I believe this is the correct position to take. However, changing world economic conditions require some changes in our thinking, and I believe there is a role that society or government can play in developing agriculture in Atlantic Canada by providing the security necessary for the industry to flourish. Our over-all market at present is too small to be a good commercial risk in many fields.

[Mr. Crouse.]

Atlantic Canada requires a machinery parts depot large enough to ensure that our farmers can get fast, efficient delivery of what they need. It also requires grain receiving and distribution depots so that supplies of grain can be delivered in sufficient quantity to guarantee a continuity of feed grains. As production is stepped up locally there would be an assured storage place for produce for later use or for sale.

There is also required a fertilizer depot, large enough to hold sufficient quantities and variations to meet demand. There is especially required cold storage and other receiving facilities, so that the food producer can go ahead and produce, knowing that when he takes off his crop it has an assured storage area.

These facilities should all be at tide water, and some of them could well be located in my constituency where we have adequate harbours in Lunenburg, Bridgewater, Liverpool and Shelburne. In fact consideration should be given to establishing these depots outside our city areas which are becoming congested. I believe the establishment of these administrative and physical facilities would encourage the maximum use of farm land in Atlantic Canada, and with world food demand as it is at present there should be little risk of loss on any public investment.

This would appear to be a job for government rather than private industry, for society as a whole can make an investment for production and take a long-term position on recovery of that investment. Industry, on the other hand, must operate on an immediate balance sheet. However, if such a program as I have outlined were adopted, I see no need for conflict with the private sector. It should be possible to work out, with private industry and the farmer, what is required so that maximum food production becomes possible in Atlantic Canada.

Another basic primary industry which is undergoing many hardships today is the fishing industry. Each month the landed number of pounds of mixed fish declines, while the cost of operating the fishing fleet, both inshore and offshore, keeps soaring higher and higher. The problems of the fishing industry received considerable attention during the recent federal election, but since July 8 we have seen very little action by the government in solving our difficulties.

We in Atlantic Canada believe that states bordering the coastal areas where most fish stocks are found must be given the right and the responsibility to manage these stocks in accordance with agreed principles, in the same manner as they already manage the mineral and living resources on the continental shelf. Freedom of fishing as it has been traditionally practised is an approach that is no longer acceptable, and it can be no longer tolerated if we are to avoid the total exhaustion of this most urgently needed resource.

I believe that coastal states must have the right to reserve for themselves that portion of the fisheries stocks under their jurisdiction which they have the capacity to harvest. Only under these conditions can we hope to conserve the world's fisheries, and only in this way can we protect the vital interests of the coastal communities that depend on this resource in Canada.

I am well aware of the position put forward by our government representatives at the recent conference on the Law of the Sea at Caracas, but despite our best efforts the conference ended without a draft treaty or agreement settling either ownership of marine resources or the width of a coastal state's jurisdiction over those fisheries resources adjacent to its own shores. I do not attach any blame to our negotiators for this situation. I am told that they worked hard. I was not there, but I am informed they worked hard and diligently in putting forward Canada's position. However, time is running out. For years, going back to 1964, I have been asking the government what it intends to do for our fishermen in Atlantic Canada. I believe we must take a firm stand. This is a view that is shared not only by me but also by the Minister of Regional Economic Expansion (Mr. Jamieson) and by the former Minister of the Environment, the Hon. Jack Davis.

Both ministers stated prior to the July 8 election that Canada should unilaterally take control of the continental shelf off its coasts, if current Law of the Sea negotiations do not go our way. We have strong precedents for following this course. For example, in 1964 the Territorial Sea and Fishing Zones Act unilaterally established a nine-mile fishing zone contiguous to the three-mile limit. Then in 1970 the territorial sea was unilaterally extended to 12 miles. We next established unilaterally our 100 mile limit Arctic Waters Pollution Prevention Act and, in my opinion, it is now opportune to implement the pledge of the Prime Minister in the July 8 election to ensure that Canadians have exclusive fishing rights within 200 miles of the Canadian shoreline. We, as Canadians, need this type of management control, not only for the conservation of our fisheries resources, but also for the protection of our deep sea fishermen.

● (1740)

Foreign fleets have overrun our main fishing areas, bringing disastrous losses to our deep sea operators. For example, Centennial Sea Foods Limited of Shelburne, Nova Scotia, and C.W. McLeod Fisheries Limited of Port Mouton, Nova Scotia, are now in the process of filing claims totalling more than $225,000 with the Department of External Affairs for damages inflicted by Russian trawlers to lobster traps in July of 1974. Our own Department of the Environment sent officers on an overfly in one of our aircraft to take pictures of these large lobster traps on the decks of the Russian trawlers. There can be no doubt that the Russian fleet is responsible for that, but, they have been responsible in meeting our requests for justice in the past.

What I am concerned about is why it has taken so long for the Department of External Affairs to take up this claim with the Soviet government. I have a letter here from one of the owners of a Canadian ship dated July 11. His name is Crosby McLeod. He made representations to the government, asking it to take up his complaint over his $170,000 loss. On September 19 he was informed that no formal complaint had been lodged up to that date with the Russian embassy.

When I posed a question to the Secretary of State for External Affairs (Mr. MacEachen) on the subject, he stated that representations had now been made. So they must only have been made since September 19, even though the loss occurred way back on July 11.

Mr. Dinsdale: The government has been on holidays.

Mr. Crouse: This is what I was going to say next. Nothing could better exemplify the holiday spirit which has prevailed with the present government.

The delay in taking up this claim with the Soviet government by our Department of External Affairs is inexcusable and unexplainable. I ask the government, and especially the Secretary of State for External Affairs, if they are going to wait until the companies concerned go out of business due to their heavy losses before any effort is made to secure restitution from the Soviets?

I am pleased to see the new Minister of State for Fisheries (Mr. LeBlanc) in his seat and I congratulate him upon his appointment to this new portfolio.

Mr. Stanfield: I hope he is better treated than his predecessor.

Mr. Crouse: I should like to ask him—and I am sure he will answer in due course—what steps he has taken, since receiving this appointment to the cabinet, to restore the Canadian swordfishing industry, worth at one time some $4 million annually to the fishermen of Nova Scotia alone. At present a fleet of 20 swordfishing boats is operating out of New Bedford, Massachusetts. Fishermen operating out of that port are being paid $1.70 per pound for swordfish. Obviously the warnings of the U.S. food and drug directorate about mercury in swordfish are having no effect whatsoever in Massachusetts.

I hope the minister will make it a priority project to visit Washington soon to discuss with his American counterpart the possibility of restoring this important industry, for at one time Canada exported to the United States some 25 million pounds of swordfish annually.

I also hope that the minister will give consideration to opening up the Canadian market for swordfish because there is no reason why we should let Massachusetts alone enjoy this delicacy from the sea. Many Canadians would enjoy a swordfish dinner and perhaps the minister could lend his good offices to the opening up of the Canadian market to our fishermen. It would be a great boon for the Nova Scotia fishermen.

Another serious problem faced by our fishermen is—

Mr. Speaker: I hesitate to interrupt the hon. member as he is beginning to develop a new point. However, I wish to advise him that his time has expired.

Mr. Crouse: I have only a few more observations and I ask for the indulgence of the House to complete my remarks.

Some hon. Members: Continue.

Mr. Crouse: I thank the House through you, Mr. Speaker, for its indulgence in permitting me to complete my remarks. I can assure you I shall not be very long.

As I started out to say, another serious problem faced by fishermen in Atlantic Canada is the ICNAF regulations which are considered unrealistic and unworkable. The

present allowable catch of haddock, for example, is discriminatory. It is causing Canadian fishermen to destroy as much as 85,000 pounds of haddock per trip. I could not help but think, as we heard about the loss of eggs, that that loss is minuscule when compared with the weekly loss of haddock caught on deck and thrown back into the sea as a result of the regulations that have been established under ICNAF.

While Canadian fishermen are being forced to hold the line, foreign trawlers continue to come to the banks, taking as much as 95 per cent of their catch in haddock. In fact one foreign trawler seized by the Americans under ICNAF regulations had more than 95 per cent of haddock iced in the hold. This practice is annoying our fishermen, decreasing their earnings, and destroying valuable food at a time when half the world is going to bed hungry. The system we have adopted at present is not working to the benefit of Canadians.

Not only haddock but stocks of cod, pollock, herring, flounders and silver hake are also being depleted, with the huge Russian fleet being the biggest offender when it comes to overfishing.

All these problems point out the need for some searching questions to be put. For example, are we carrying out conservation policies for the benefit of our Canadian fishermen or for the benefit of all foreign fishermen? Will we increase our surveillance fleet, as promised by the Prime Minister and, if so, can it take any action against fleets which are overfishing and destroying our fishing gear unless we unilaterally declare some form of control and some form of sovereign rights over our resources on our continental shelf?

Should we continue to spend millions of dollars annually to improve Canadian salmon runs if other countries continue to catch salmon on the high seas, thereby defeating our purpose and our efforts? Unless concrete answers to these questions are found the fishing industry in Atlantic Canada and the people dependent on it will, I am sorry to say, face a very bleak future.

ROUTINE PROCEEDINGS

BUSINESS OF SUPPLY

MAIN ESTIMATES 1974-75—REFERENCE TO STANDING COMMITTEES

Mr. Speaker: Before we go on to the next speaker may I interrupt to complete a point of procedure. Earlier this day a motion was proposed which required the consent of the House because it had appended to it a schedule of assignments to committees and the order of estimates being referred to them. It was suggested, at the time of the presentation of that order, that it stand until later today. I understand that there is agreement that that moment should be now. If that is the case may I ask if it is agreed now that the motion earlier moved by the President of the Privy Council (Mr. Sharp) will carry?

Some hon. Members: Agreed.

Motion agreed to.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Duclos for an address to His Excellency the Administrator of the Government of Canada in reply to his speech at the opening of the session, the amendment thereto of Mr. Stanfield (p. 42), and the amendment to the amendment of Mr. Broadbent (p. 53).

[*Translation*]

Mr. Roy (Laval): Mr. Speaker, first I wish to congratulate you on having been elected Speaker of the House. Your integrity, your sense of duty and your vast knowledge of legal matters led you to fill this high position which is the key one in the House, the basis of our activity. I also offer my congratulations to the Deputy Speaker and to the chairmen and deputy chairmen of the committees.

I am also pleased to praise the mover and seconder of the Address in reply to the Speech from the Throne. The people in each of their electoral districts were wise in choosing men of such calibre to represent them in the Canadian Parliament. While listening to the hon. member for Vancouver East (Mr. Lee), I was moved when he said that he represented Canadians who came from Italy, Germany, Yugoslavia, the Netherlands, other countries of Europe and Asia and, of course, Great Britain. He is the first Liberal member of parliament of Chinese origin and he is proud to be in Parliament the spokesman for Canadians coming from so many places. Those people chose Canada as their land and we are proud that they did so.

Canada is a prosperous country, a country of great and varied natural resources. We enjoy an enviable prosperity and one of the highest standard of living. Canada is a country where it is good to live, where a most sophisticated social security system has been developed. Considering that more than one third of the total budget has been invested in the area of health and social welfare, and that during the last decade we have quadrupled the budget in this field, I believe that this social security system can be envied by several countries.

We have also an increasingly sophisticated education system and a climate of freedom of speech which keeps all politicians alert. We are lucky, because our country represents a great potential in all kinds of resources, because Canada is one of the rare countries which produce more foodstuffs than it needs. Because of all these considerations, we also have great responsibilities toward less favoured countries, especially since God has granted us privileges which were not due to us when two thirds of the world demand a more just society.

I was listening this afternoon to the hon. members for Edmonton-Strathcona (Mr. Roche) and for Cape Breton-East Richmond (Mr. Hogan), and I think that we all agree

that we must be more concerned about the help that we can give these countries. When I use the expression "just society", several opposition members cannot help smiling but the fact remains that the objective of implementing a just society is a continuing concern of the Liberal government. This may be the difference between the Liberal philosophy and the philosophy of the Conservative Party. To govern a country founded by two ethnic groups, a people including various races and cultures, made up of ten provinces with unequal resources and economic disparities, to strengthen an unbalanced unity and to put in spite of all this a country of 22 million inhabitants at the first rank on the world scene, is that not a difficult task?

The Canadians are well aware of it and that is why they chose to elect the team of the Liberal party, led by Mr. Pierre Elliott Trudeau, to guide that very fragile bark through ocean climates that are not always temperate. That is why the Canadian electorate expressed the wish to entrust to the Liberal party the destiny of our young country.

One needs but read the newspapers and reflect briefly on the problems other countries must face, some of which are the most highly industrialized, to realize to what extent we are privileged. I have no intention of dwelling further on this subject but on behalf of my electors, they who have elected me for a third term with the Liberal party, it is only fair that I should express those feelings and pay homage to our right hon. Prime Minister, to whom especially we owe the recent Liberal victory in Canada.

During the debate on the Address in reply to the Speech from the Throne, we can put before the House generalities concerning the ridings we represent. When we study specific bills, we are bound to stick to the question before the House.

I therefore take the liberty of explaining a few of the accomplishments of the riding I have the honour to represent. One of them, which I feel is responsible for the development of Ville-de-Laval, is the construction within a short distance of the city of the new international airport. The economic consequences are in fact quite extensive in respect of the postal service, considering that five new postal stations are under construction at the present time, including one which is situated within an industrial complex.

We could also talk about the full transformation of the highway system through grants.

● (1750)

[*English*]

Mr. Speaker: Order, please. It being six o'clock I do now leave the chair until 8 p.m. this day.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. Roy (Laval): Mr. Speaker, when we adjourned at six o'clock, I was pointing out just how Ville-de-Laval stands to benefit from the construction of the international airport in Sainte-Scholastique, now known as the Mirable International Airport. The establishment of that airport near the second largest city in Quebec has contributed to improve considerably the road system in Laval. Thanks to a federal grant of $15 million under an investment fund program, the residents of Ville-de-Laval will not see their municipal property taxes earmarked for the construction of service roads and for a lighting system on autoroute 440 from the intersection of autoroutes 15 and 440 nor for the construction of an overpass at the crossroads of the Laval autoroute and the Laurentides Boulevard nor for the expressways and the overpasses on it. With this capital fund available from December 6, 1972 to June 30, 1975, Laval taxpayers will not have to pay $15 million. This might not bring a reduction in property taxes in Laval, but it will help prevent any further increase in years to come, because I do not think those funds were a foreseeable item in the municipal budget.

I would also like to talk about the considerable increase in federal services in Laval: a Manpower Centre has been built, an unemployment insurance office has been established, and in a near future there should be a Central Mortgage and Housing Corporation office to serve the people of Laval.

After talking of the considerable help of the federal government in the construction of the road system, I do not want to forget its help in the construction of highway 13 between Dorval airport and Mirabel. This grant is about $30 million, not to mention $70 million loan from the Bank of Canada at a preferential interest rate. Therefore, we see the importance the federal government attaches to the development of a road system that will link, as I have said, the two airports. But the great disappointment about this project, as I pointed out to the Laval residents, is the decision taken by the province to install toll stations on this highway which has already greatly benefitted from the federal government financial assistance. I strongly opposed such toll stations and I suggested the construction of an access and exit lane in order that the residents do not have to pay an additional tax for the use of this highway which is the only solution to the road traffic problem in the western part of Ville-de-Laval.

This being said, I now come to the content of the Speech from the Throne, in particular to the transport chapter where it says that a program will be developed in cooperation with the railways which will lead to the eventual creation of new government machinery to ensure the effective management of all ground transport. Moreover, immediate implementation of experimental programs designed to upgrade progressively a number of intercity passenger train services will be undertaken.

Other measures, compatible with regional and provincial plans for urban development will be taken in order to strengthen the effectiveness of urban transportation systems and improve commuting services.

That part of the Speech from the Throne and the speech delivered today by the Minister of Transport (Mr. Marchand) were of particular interest to me as a member of one of the two federal constituencies representing in this House the second largest city in the province of Quebec. Indeed, Ville-de-Laval has more than 240,000 people and is situated on Jésus Island, north of the metropolis.

I think I should avail myself of this opportunity to state the main problem of my constituency, a problem that restricts the development of our city which is nevertheless experiencing rather remarkable development and, as I said, that is in part due to the economic results of building Mirabel, the international airport. That problem is common to all Canadian cities. I believe that from Vancouver to Halifax, in all cities in the process of development, there exists a common problem, that of public transport. This problem being a common one, I believe it can be solved only with the cooperation of higher governments, because it is impossible, considering the municipal tax basis, to finance public transports and provide for their maintenance. I believe that in the light of present experiences, and whatever may be the municipality, having read all those statements and reports, we find a 50 per cent deficit in the operation of a public transport system.

To the north of Montreal, we have already laid down the basic elements of a solution, namely the TRRAMM report, the object of which is to study the means of transportation between Montreal and Mirabel. The cost of that study was shared by the Federal government and the province of Quebec and the report was tabled last February.

The report mentioned two ways of establishing such a service between Montreal and Mirabel, namely the use of the CP railroad through Laval-des-Rapides and Sainte-Thérèse, through the industrial centre of Laval and Sainte-Thérèse, thence Mirabel. The other alternative was to use the CNR line via Côte Vertu, Roxboro and Laval Ouest, without serving at all the western part of Ville-de-Laval, to head finally towards Saint-Eustache and Mirabel.

In view of the importance of economic and industrial development, while encouraging housing construction, we must decide to go ahead with this project which provides for the use of the CPR line through Laval-des-Rapides.

I have already made the regional authorities aware of this on March 28 last. This application reflects the opinion of the Ville-de-Laval authorities as well as those of my colleagues in the nearby riding of Duvernay, and those in Laval North.

Moreover, last Wednesday, during a weekly dinner, I explained these alternatives to the Laval Board of Trade, that is, the possibility of using either the CNR or the CPR line. The CNR line was the unanimous choice. Therefore, we shall follow very closely the progress of this project, which is an important stage in the development of Ville-de-Laval.

Still on the subject of public transportation, which is the main problem of the constituency I represent, and also one of the main problems of our expanding municipalities, may I suggest to the Minister of Transport that he study the possibility of extending the CNR's electric train line to the Cartierville Station in the centre of Ville-de-Laval, so as to join the centre of Canada's metropolis to the centre of Ville-de-Laval. During the last metro strike in Montreal, the only public transportation system in the northwest end of Montreal was this CNR electric train which, unfortunately, stops in Cartierville.

This suggestion was made over and over again during the last election campaign and I think that this extension

[Mr. Roy (Laval).]

of the electric train from Cartierville to the centre of Ville-de-Laval, where there is now a vacant parking lot, is the most economical solution to public transportation north of Montreal and for Ville-de-Laval, especially when considering the possibility of extending the metro to Ville-de-Laval. It would seem to me that this "extension outlet" of the electric train on to a piece of property where expropriation costs would be at their minimum would constitute the most economical solution to the transportation problem. This train is now in operation and carries more than 20,000 passengers a day. I was glad to hear the Minister of Transport, the first time, when he mentioned that we have much to do in the public transportation field.

If we consider this train, which is very popular in the west end of Montreal, I believe that improving it has unfortunately been far too often neglected. I think that this is a philosophy which should be subject to further discussions or thinking. We are building expressways every here and there. There is one that goes through the town of Montreal. We have invested huge sums of money to build these expressways. We are even cutting the grass on private properties for esthetic purposes, while we are neglecting to invest in the public transportation field. So, that suggestion seems to me to be the real solution. It would offer the following advantages: it would relieve the congestion on bridges, in the streets and in parking lots in downtown Montreal, allow gas savings and especially savings in parking costs, reduce pollution and nervous tension for those who use public transports to get to work and come back home. As for Ville-de-Laval, that project would encourage the construction of residential buildings near the planned station.

I therefore make that humble suggestion: why not look into the possibilities of such an extension. Without claiming to be an expert in the matter, I feel that it should be looked into.

In closing, Mr. Speaker, I should like to say a few words about our housing policy. To my mind, it is a comprehensive program for the development of municipalities. There is no doubt that it encourages home ownership, that it strive to help low- and average-income families with one or more dependents to buy and live in their own homes. So the help supplied is based on the cost of houses and the current payments within the region; it must not exceed 22 per cent of the income.

● (2010)

In my opinion, this policy is quite popular but the prospective buyers are not sufficiently aware of it. In the last three years we have noted a surplus of 100,000 housing units. I happen to have the figures in hand and I notice that we have built over 236,000 last year, that is 100,000 over the normal demand. These units certainly represent a great step toward solving the housing problem and helping low-income families.

To conclude, I am happy that the right hon. Prime Minister intends to reform House procedures during the current session. Looking over the list of the 70 pieces of legislation mentioned in our already lengthy file, I think that in a modern country it is quite natural to have more modern laws in the Canadian Parliament.

In my opinion, when the federal government will have to consider customs, transportation or canals, we will have a heavy load of work and legislation to pass in Parliament. I think that a complete review of the parliamentary procedure will certainly be welcomed.

[*English*]

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I should like to begin my address by congratulating you on your appointment. I have sensed in you, Sir, an amiable spirit and a genuine desire to be impartial in the regulation of the affairs of this House.

As the newly elected member for Surrey-White Rock I cannot help but compare the issues that face the people of Surrey-White Rock with those that face the people of Canada as a whole. Surrey-White Rock is a cosmopolitan riding and, in many ways, a cross-section of all Canada. We in my riding face the difficult consequences of urban sprawl.

Immigration policies and people moving out of metropolitan Vancouver have created a housing problem in Surrey-White Rock that is not acute—it is desperate! With a 1 per cent vacancy rate in spite of astronomical housing costs, the local governments have inherited a problem which is not their creation.

It gives me small comfort to see that the Speech from the Throne states there will be government help. I remember all too well the campaign promise describing the help as $32,000 for a minimum priced home. In Surrey-White Rock that would only pay for the lot.

There is also the concomitant transportation problem. There is a crying need for a public rapid transit system to move people, together with greater development of rail and highway facilities to move goods. There are farmers in my riding whose production is vital to the metropolitan area of Vancouver. Each year when these farmers are ready to harvest their crops they are inundated with an oversupply of goods from California. If the Minister of Agriculture (Mr. Whelan) really wants to help the income level of the farmers, that is one area where he might help.

Some hon. Members: Hear, hear!

● (2020)

Mr. Friesen: Surrey also contains very modern port facilities, built by the National Harbours Board. These will provide tax revenue for the area but as yet they provide no direct tax base in themselves—the only revenue is that derived from the wage-earners working on these port installations. White Rock and South Surrey each have beautiful recreational beaches, but these face the threat of oil spills and other forms of pollution. The Fraser River borders the northern part of the riding and is the source of the salmon fishing industry. All these resources have attracted many kinds of heavy and light industry to Surrey-White Rock, and we welcome them.

Finally, Surrey-White Rock is the home of many senior citizens. They have found the area a desirable place in which to live but now they are desperately trying to cling to their savings, their security and their self-respect. All these problems will find a solution if we have a government which sees itself as the government of all the people of Canada.

I must confess that my heart skipped a beat yesterday when I heard the Prime Minister (Mr. Trudeau) say the government could not afford to "pay mock heed to the opposition". As is quite evident, the people of my riding have for the past 12 years not chosen to elect a representative of the party opposite. Thus, I am not a little encouraged to believe that the government will view the needs of my riding with the same degree of sensitivity as it does those represented by government members.

The Prime Minister then went on to speak of reform, emphasizing the need for greater efficiency in government. I would say to the Prime Minister and to other members of the government that the ultimate goal of parliamentary democracy is not efficiency—we have just experienced five months of that kind of efficiency. The ultimate goal of parliamentary democracy is representation and service. This representation is based upon human relationships, and when we work with human relationships we had better be careful about how much efficiency we introduce. I might add that if the Prime Minister is really anxious to bring greater efficiency to the House he might instruct his ministers to answer opposition questions in the most concrete terms rather than by making those terribly inefficient statements such as "My department is well aware of the problem and is looking into it."

Certainly, I am not at all worried that the government will, as the Prime Minister suggested, go fishing after it has crossed the Rubicon. It is not even interested in protecting the fishermen of the west coast or of the east coast, as a matter of fact. What worries me is that after government members have crossed the Rubicon and got to Rome they will not know what to do. It seems to me that disarray, the social, economic and political problems, which faced the people of Rome in those days find a striking parallel in our own country today. I might add there are other parallels in that metaphor which one had better leave alone.

The Prime Minister made several references to the mother of parliaments. It was that parliament, 100 years ago, which had in its ranks an outstanding Liberal member in the person of John Stuart Mill. Mill was a practising non-conformist in the best sense of the word. All his life he fought a personal battle to preserve the dignity of his individuality. All his life he saw himself perpetually in a minority situation, threatened, as he said, by the "despotism of custom".

In the context of the pressures to conform placed on him by the majority, Mr. Mill coined a phrase which is highly relevant to this House today. He spoke of "the tyranny of the majority"—not the kind of tyranny which issues from rule by dictatorship but rather the kind of tyranny which has confused the will of the majority with an acquiescent acceptance of the rightness of majority opinion. It is for this reason that I take comfort, as I said, in the Prime Minister's assurance yesterday that the government cannot afford to take lightly the views of minorities.

When I speak of minorities I realize that we immediately relate the term either to minority political groups or to minority ethnic groups. And, Mr. Speaker, I wish to point out that I have had some experience in both, especially the

latter. Having grown up in a minority ethnic group I have come to appreciate the richness of the cultural, moral and spiritual heritage that is mine as a member of that group. Nevertheless, I recognize the fact that these groups are easily overlooked by the masses. I am sure members of other groups can give similar testimony. However, it is not to the needs of these minority groups that I wish to address myself. It is, rather, to the needs of minority groups which cut across political and ethnic boundaries and which are all too easily the victims of the indifference and tyranny of the majority.

I speak on behalf of the senior citizens of our country, those who have contributed so much to the greatness of Canada, and who now all too often have to depend upon the capricious gratuity of big government. What kind of bargaining rights do they enjoy? There is no Perry Report guaranteeing them a 60 per cent or even a 40 per cent increase. I tell you, Mr. Speaker, that today it does not pay to be a member of that minority group.

There is another minority group with no bargaining rights. I speak of the thousands of Canadians who are victims of incurable and crippling disease. Thousands of dollars have been spent each year on Canada Council grants to fund the most inconceivably esoteric projects possible. And all the while medical research projects go begging. When was the last time there was a demonstration on the steps of parliament by people suffering from MS, or muscular dystrophy or diabetes or who were on dialysis machines? These people, Mr. Speaker, are not the kind who demonstrate; they just suffer. They form a group, made up in every sense of the word, from victims of the "tyranny of the majority".

And there are the hundreds of small groups of workers, non-unionized, who work for a minimum wage, who have no bargaining rights and whose minimum wages are also being eaten up by inflation.

● (2030)

It is easy enough for any party having a majority to confuse power with greatness, but the greatness of which I speak is not simply the power to overcome the opposition and the ability to flex political muscle.

The greatness of which I speak is the kind which is strong enough to allow one not to be afraid to display his own humanity. It is the kind of greatness which allows one to realize and accept his own limitations. It is that kind of greatness which, realizing his strength, allows one to accept the risk of admitting mistakes once in a while. It is the kind of greatness that allows one to see that the admission of a mistake is not necessarily the sign of weakness but, in the truest sense of humility, a display of one of the qualities of strength.

I recognize that the Minister of Agriculture admitted this afternoon that perhaps he made a mistake; I suggest to you that he was not admitting a mistake but rather admitting to a peccadillo, a little error. If he admitted to a mistake that would lead to openness and an opportunity for everyone to examine the situation. As yet there has been no evidence that this kind of openness is going to exist.

As I flip through the pages of history I see two kinds of great leaders who are remembered to this day. There are

[Mr. Friesen.]

the Alexanders, the Caesars and the Napoleons. Then there is Abraham Lincoln, Mr. Ghandi and Sir Wilfrid Laurier. The former inflame the mind and the latter inspire the heart. The former had super efficiency while the latter had heart and humanity. There is the centre of that great biblical paradox, "for when I am weak, then I am strong".

If it is the goal of the government simply to cling to power only because it feels a majority is right, I am sure it can summon from a large store of political dexterity enough gimmicks to satisfy even its least disciplined backbenchers and remain in office a full term. But if its goal is to aspire to greatness then its motives must transcend the goals of immediate expediencies. Rather, it must begin by admitting to its own limitations. It must touch base with its own humanity. It must do more than sympathize, it must empathize. It must learn to feel. It is still a fact that you should not get so worked up over your own cause that you forget your humanity and consequent imperfection.

Yesterday the Prime Minister (Mr. Trudeau), in commending the two freshmen government members who moved and seconded the address in reply to the Speech from the Throne, said of them that they:

—certainly represent that new generation of Canadians who expect of Canada and its government actions that are truly worthy of the people.

I agree with the Prime Minister. Together with many other Canadians I just hope they do not have to wait too long.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I thank you for letting me take part at this time in the debate on the Address in reply to the Speech fron the Throne.

First I wish to congratulate you, on behalf of my colleagues of the Social Credit Party of Canada, for your nomination, as you have been chosen to chair the very important business taking place in the House of Commons.

Mr. Speaker, our congratulations are heart-felt and we assure you of our co-operation so that our business reflects the opinions of our fellow citizens and that it be effective. For these reasons, we had a warm welcome for your promises. We hope that yours will be more than promises, unlike those of the right hon. Prime Minister (Mr. Trudeau) when he stated his intention to modernize procedure in the House of Commons.

Mr. Speaker, for many years our party has been calling for a speeding-up of the dispatch of business, for a reform of the antiquated and obsolete British procedure, through common agreement, without any partisanship, so that the Canadian Parliament would evolve into a true reflection of our society of 1974 and of the society of the future, providing for better planning and greater effectiveness.

● (2040)

Mr. Speaker, without prejudice to the excellent work performed by the former President of the Privy Council, the present Secretary of State for External Affairs (Mr. MacEachen), I gladly note that the new incumbent seems to work in close co-operation with other House leaders, not on a daily but on a planned basis. Thus he allowed us, for example, this afternoon, to pass a measure which will

only be enforced when the supplementary estimates will be under consideration at the end of October.

Mr. Speaker, this allows us to get ready and be more efficient in the House and perhaps say fewer platitudes and make more serious comments which are right to the point. Consequently, the public who hear us or read *Hansard* will not be under the impression that our proceedings are long, tedious and fruitless.

My colleagues and myself of the Social Credit Party of Canada who have been elected here have adopted a realistic attitude. We are sitting here to do some inquiries and solve problems. We will work in a spirit of cooperation, but we will not necessarily bless everything the government will do nor everything the opposition will say. Mr. Speaker, as you know by your experience in the Chair, Whigs and Tories have been returning the ball to one another for a century. But the Social Crediters have in this House the reputation of fighting for particular problems of a social or economic nature, and of making suggestions often termed as idiotic but which are adopted afterwards. It sometimes takes several elections before traditional parties promise what we have been asking for. What is important, though, is not that we should be the ones carrying out our suggestions, or the Whigs, or the Tories, but that they should be implemented at last.

My colleague from Abitibi (Mr. Laprise) has proposed repeatedly, ever since he came to this House, as hon. members on this side remember, that the old age security pension be granted to any person whose spouse is 60 years old. This is a motion he presented year in and year out, and he valiantly upheld his cause in each and every session.

At the very start, our colleagues on both sides of the House were not even listening to his proposal. Then, they lent a distant ear, then two, and finally a promise was made to act just before the election, and all of a sudden the Spirit came down from heaven and fell on the seat of the right hon. Prime Minister. There is an announcement in the Speech from the Throne that it will be done in October 1975.

Well, Mr. Speaker, it was in a positive spirit that yesterday during the question period we asked of the right hon. Prime Minister that that promise not be implemented in October 1975 but well before that since the government holds a majority and the power. That is what he wanted since people put their faith in him following the promise he made. In fact, he was already assured of the co-operation of all three opposition parties to support and quickly pass that measure which is absolutely vital if we are to put the economy back on its feet again in certain areas of our society, particularly in the case of those who have reached the critical age of 60.

Mr. Speaker, the papers will say this is a Liberal accomplishment. We do not mind. The Tories will say this is a government accomplishment. We are glad about it because we know for a fact deep inside that had it not been for a little member for Abitibi, had it not been for his perseverance, his honest tenacity, that proposal might never have seen the light in this House.

That is the example, Mr. Speaker, I wanted to give at the very beginning of my speech to show our colleagues, particularly the newly arrived—whom we welcome wholeheartedly—that our work, that the meaning of our presence here is precisely that—not to claim the credit for accomplishments beyond our control but at least repeat in this House what our fellow citizens ask of us, to give a different bell ring, and God knows how many different bell rings there are in society, so that in the final analysis the legislation passed here during a session reflects a true picture of us and give results.

Mr. Speaker, we shall work as a team to do something like the hon. member for Abitibi has done in this matter. This is the meaning of our work here. We shall not work with a partisan spirit. The Chair as well as the Cabinet and the other parties of this House can be assured that we shall respect this position.

Mr. Speaker, the federal election of last July 8 marks an unhappy date. We continue to think so because of the unfortunate strategy of the Progressive Conservatives which caused an election and which punished those who had provoked it, since the New Democratic Party has much fewer members then before. This proves that the population wants us to work in the House and not play politics. This is a lesson, maybe the only one, that can be drawn from the last election. Our fellow citizens want us to work and to legislate in the common interest.

For this election, Mr. Speaker, some people wanted again to do away with the Social Credit Party. It was once again predicted that this party would disappear because our opponents knew about our lack of financial and other means. Yet we may be even stronger than before, strenghtened and enriched by a great experience, that of having fought against gigantic machines with makeshift means. And God knows that having elections in Quebec is no holiday. Yet we went through this period.

Since my return to this House, I have heard about the famous problem of official regognition for the Social Credit Party. Mr. Speaker, for the benefit of those who may still be in doubt, I believe that there is a rule which should be present in the mind of everyone, to the effect that the House of Commons must accept the popular verdict without any hesitation. It the population has decided to send 11 members to Parliament under a certain label, it is not up to the House to decide whether or not to accept this verdict, since in our system, an election is the supreme decision. This is why, Mr. Speaker, we shall demand that this principale be respected even though at the present time the whole matter seems to be settled, and for that I wish to thank my colleagues of all parties. I hope that this principle which has now been established will continue to be accepted on both sides of this House, with a friendly attitude.

Mr. Speaker, I would like at this point to come back to the Speech from the Throne—

Mr. Pelletier (Sherbrooke): It's unique!

Mr. Fortin: It is unique, as stated by my colleague from Sherbrooke (Mr. Pelletier), who won brilliantly no doubt because he did a good job in his constituency with his "office work". I know all about it. I hope, Mr. Speaker, that the example set by the hon. member for Sherbrooke may influence other Liberal members around me, who do not do any "office work" in their constituencies, so I can

deal with my own rather than caring for the four surrounding constituencies. So I wish a lot of courage to my colleague from Sherbrooke, in order that he may convince his colleagues from surrounding constituencies.

Mr. Speaker, a sentence especially struck me in the Speech from the Throne: "It is necessary both to deal with its (inflation) causes and to mitigate its effects".

That's a sentence we heard here before in 1969, 1970, 1971, 1972 and 1973. And now we hear it again: deal with the causes, mitigate the effects. Liberals are very consistent. That is, they often repeat what they would like to do. But when it comes to inflation, Mr. Speaker, the government is always at a loss to come up with a real remedy.

On the one hand, he tells us, production must be increased. That is obvious. There is a commodity shortage in many areas, and the shortage results in higher prices, and higher prices result in an economic imbalance for the consumer. I will give but one example. I will not try to discover obvious truths, as the Minister of Agriculture (Mr. Whelan) said this afternoon, that he could not keep a hen from laying eggs when the rooster is well fed. Only he could invent such a theory. But, Mr. Speaker, I would remind this same minister, however brilliant—

Mr. Béchard: Roosters were needed.

Mr. Fortin: Roosters were needed, particularly in Bonaventure-Îles-de-la-Madeleine. Mr. Speaker, I will recall for him something that happened in my riding along the south shore of the St. Lawrence River. I was coming back from my office in Sainte-Croix and I stopped in Saint-Pierre-les-Becquets which is, as everybody knows, a tomato kingdom. There you find little stands along the road, and the garden is in the back. The tomatoes are freshly picked from the garden and put in those little stands. I stopped and asked my fellow citizen to sell me a basket of tomatoes. He was asking $1.25 for the biggest one. There were actually 21 tomatoes in that basket. So that cost me $1.25. He was satisfied, he had found an opportunity to work and profit. He was satisfied and happy with his sale and his work.

Two weeks later, my wife went to the Dominion Store to buy some of those famous tomatoes. The store was asking $1.23 for seven small tomatoes wrapped in a cellophane stamped "Dominion". That was two weeks later, Mr. Speaker. Then we are told that the inflation problem cannot be solved. It was not because that tomato grower had no guts, it was not because he did not have a good product to sell. For that matter, Mr. Speaker, it is not because consumers do not have needs to meet.

If there is a problem of increase in the cost of living, that is in our opinion due for a large part—and I say this though I am an eager defender of private enterprise—to businesses that monopolize increasingly the market, that accumulate stores and then, by creating shortages, increase their prices and thus exploit the consumer to the knowledge of the government. There are many reasons for which I cannot accept this, Mr. Speaker, that those large companies should exploit the situation creating shortages, and exploiting the consumer through exorbitant prices.

Those large companies, which are called private, harm the small businesses. In a few years they will encourage the socialization of private enterprise; this has indeed begun. Yet, the small businesses are not responsible for that abuse; the large ones are which take advantage of their financial power to take over the market in a given sector, such as that of food products.

This also applies to supplies of lumber, building materials, anti-freeze, milk, bread, nearly all commodities, especially perishables, those products which cannot be renewed, which are wasted. Mr. Speaker, a mother of a family in Victoriaville, Sainte-Croix, Dosquet, Deschaillons or Parisville or in any other constituency—

Mr. Francis: Or in Ottawa-Carleton.

Mr. Fortin: —or in Ottawa-Carleton, who goes to a store with the $100 weekly pay of her husband in order to get some food finds that her husband's money which has been painfully earned brings nearly nothing on the table.

● (2050)

The wage earner and his wife are victims of conditions beyond their control which they are in no position to alter, because this government, as the previous ones, has always encouraged agricultural and commercial measures setting a ceiling on production. For example, in the dairy industry, we have known and are still aware of a ceiling set on production more commonly known under the name of quota policy. The application of such a policy has been so ridiculous that our quotas have been set at low levels which farmers could easily reach by toiling and moiling. They could also often exceed them.

According to our genial Minister of Agriculture (Mr. Whelan) and his predecessor, not only the farmer's production was not paid nor encouraged, but he was penalized and compelled to pay a fine if he had worked or produced too much. Now our government in the Speech from the Throne suggests that we should fight the causes of inflation and lessen its effects by increasing production.

Mr. Speaker, we are going through a period of inflation, independently of international influences. This inflation was brought on in a great measure by ourselves, through lack of foresight and planning.

I see some of my colleagues shaking their heads. I would invite them to go and visit farms in the province of Quebec, in the eastern part of the country and in some parts of Ontario, they would see entire ranges that have been abandoned while some of them had been productive for two, three or four generations. Today, such a farm is not profitable because the farmer does not reap a fair return proportionate to the amount of work he puts into it.

Mr. Speaker, I recall a meeting held in Drummondville which was attended by the hon. member for Richelieu (Mr. Côté), the hon. member for Laval (Mr. Roy) a former minister, I have lost track of him—because with Mr. Trudeau, things change rather quickly—the Minister of Consumer and Corporate Affairs (Mr. Ouellet). During this meeting, the farmers were asking for understanding, demanding a dairy policy that would enable them to survive. My colleagues remember that. What was the minis-

ter's position? He said: I promise you I shall faithfully voice your grievances and just claims within the Cabinet.

Mr. Speaker, this will not prevent the prices consumers have to pay for milk to increase either tomorrow or the day after. This will bring hardly anything more to dairy producers, and some people will once more take advantage of the situation.

I say that the government must do more than keep an eye on rising prices. I have with me a report on the prices of dairy products which was tabled by the Food Prices Review Board on March 20, 1974. What happened to this report? It was placed on shelves to collect dust.

We are told to increase production. All of us have received, in both official languages, a report from the Department of Labour, dated October 1, which provides statistics on strikes and lock-outs for the sole month of July 1974. How does it read? If it is thought production should be increased, let us encourage workers to work and follow the same logic as the Minister of Agriculture. In order to do this, we will have to pay them reasonable wages. Why do we have strikes and lock-outs now? Because workers, who have no other choice, demand that their wages be adjusted to the cost of living and break their collective agreement. There are conflicts in my riding, in the Princeville slaughter house, for example; there was a lock-out because employees wanted a cost of living adjustment. In some other place, there were also problems of cost of living adjustment.

There have been such events in Montreal too, much to the prejudice of the common good. Elderly persons had to walk, and the common good has been completely overlooked. And why is this? Because workers demanded that their wages be adjusted to the cost of living.

Some people would put the blame on the workers, others on the government of Quebec. However, Mr. Speaker, the citizens of Montreal and the area have been through this situation, because everyone wants a higher salary to "run after" prices which "run" faster than income, like a dog after his tail. Absolutely nothing comes out of it. It is completely useless.

The Minister of Agriculture spoke of the eggs. Did he have them destroyed, did he call for the destruction of these eggs? Is it because of a glut of eggs on the market or because these eggs were not up to market prices?

They were destroyed, rather than provide a compensated discount to encourage the consumption of this product. This destruction is truly a national shame, similar to such other wartime actions, like throwing butter in the St. Lawrence, and other foods.

Mr. Speaker, I come back to the subject of production. An October 1 release from the Department of Labour says, and I quote:

> In July 1974, there were 236 work stoppages affecting 105,213 workers. In June, there was a total of 227 work stoppages involving 218,367 workers and last July, 137 work stoppages concerning 74,509 workers.
>
> In July this year, 39 work stoppages involved 500 workers or more, compared with 31 in June.
>
> Of those 39 work stoppages, 25 occurred in manufacturings—

—as in Victoriaville, where the main industries are furniture and textile manufacturing, two prosperous industries whose high quality products are in demand but where wages are not so good compared with the provincial average.

Mr. Speaker, the workers cannot make ends meet and keep up with the cost of living. What is being done? Absolutely nothing except talks about the need to deal with the causes and mitigate its effects.

Mr. Speaker, I sincerely hope that the field of labour in Canada will be studied during this session thanks to the initiative of the Minister of Labour (Mr. Munro). We should find new ways of negotiating, new ways to see that collective agreements are respected and to ensure more justice and a greater share for the working force in a concern's profits. We should allow labour to participate in the planning and growth of businesses.

Mr. Speaker, we must show imagination if we want to increase our production, if there is really a lack of production on our part. When it is realized that there are 39 work stoppages involving more than 500 workers, they themselves involving more than another 500 workers, that means, Mr. Speaker, that we are facing an extremely serious situation.

In the Speech from the Throne, it is mentioned that the social fabric of some countries is crumbling because of pressure on the part of the workers. Mr. Speaker, Canada's social structure may not be crumbling but its citizens are bending under the burden of the increasing cost of living.

Mr. Speaker, I would like to discuss another extremely important point. But first I would like to summarize my comments on the Speech from the Throne, as I do not want to prolong our work uselessly. It is important to say what must be said and then put an end to it. I think that the problem I have raised is extremely important and I hope that the Minister of Agriculture will stop playing the game of chicken, egg and rooster and that he will really take the situation in hand, tell the truth in this House, clarify his position and give us an intelligent production policy.

I hope the government will realize that production will not be promoted by discouraging workers. I hope the government will realize also that sound consumption and sound distribution of riches cannot be ensured by taxing and overtaxing small taxpayers.

Mr. Speaker, the hazy Social Credit philosophy, as our colleagues opposite would say, reveals itself today as a philosophy that can really meet the needs of our modern society, since Social Credit is essentially a policy for a just distribution of riches to all consumers, without endangering private enterprise in any way. We are the happy medium of a modern solution and I sincerely hope that during the next sittings, we will have the opportunity of convincing more and more our fellow citizens as regards such positive solutions.

Before resuming my seat, I should like to point out to the Minister of Public Works (Mr. Drury) something that is related to the constituencies of Lotbinière, Richelieu, Trois-Rivières—Métropolitain, Portneuf, Champlain, Kamouraska and all constituencies along the St. Lawrence river whether it be the left or the right bank, to the north or to the south. We must all face the same problem, namely erosion on the banks of the St. Lawrence. Under

an old law, the federal government cannot do anything if the boats sail at more than 3,000 feet from the bank.

Mr. Speaker, when that legislation was passed, boats were not going as fast as they are now, especially where the river is narrow. Moreover, the tonnage is not the same today as it was 10 or 20 years ago so that in the Lotbinière area, from Saint-Pierre-les-Becquets to Saint-Antoine-de-Tilly, the damages are tremendous. Petitions were signed in all municipalities without exception, resolutions were passed by all municipal councils calling for some financial aid from the federal government for repairing existing wharfs or retaining walls, in order to build new wharves if necessary after having amended that famous legislation. Mr. Speaker, I know that the member for Richelieu (Mr. Côté) is aware of that problem since he has made some statements to that effect during the election campaign. I am convinced that all the members of the House whose constituency is situated on the shores of the St. Lawrence have the same problem as in the Lotbinière constituency.

I urge my colleague to set an example for our fellow citizens and stick together whatever is our political allegiance to convince the minister to review completely that part of the legislation and grant financial assistance either to the municipalities, to the riverside companies or the riparian residents themselves, in order to solve that extremely serious problem. The river is a source of wealth and river transportation is an opportunity for us to trade with other countries. The St. Lawrence River is the greatest island sea in the world but it has become the nightmare of our fellow-citizens, for all those who live on its shores. Mr. Speaker, I will be pleased to hear the comments of the Minister of Transport (Mr. Marchand) on the matter.

● (2100)

[*English*]

Mr. Speaker: Order, please. I regret I have to interrupt the hon. member but the time allotted to him has expired.

[*Translation*]

Mr. Bob Kaplan (York Centre): Mr. Speaker, first of all I would like to congratulate all those who have been elected to preside over our debates. I am confident that the hon. member for Sudbury (Mr. Jerome) has been appointed to his high position with the unanimous consent of the House because of his personal qualities; I congratulate him and assure him of my support.

I also want to congratulate the hon. members for Beauharnois-Salaberry (Mr. Laniel), Thunder Bay (Mr. Penner) and Louis-Hébert (Mrs. Morin) and I wish them the best of success in the tasks to which they were elected.

Mr. Speaker, I would like to congratulate and to welcome in this House the hon. members for Montmorency (Mr. Duclos) and Vancouver East (Mr. Lee), two hon. members who have already demonstrated that they are formidable speakers.

[*English*]

York Centre constituency, Mr. Speaker, has sent me back to parliament after a two year absence, helping to create a strong Liberal majority.

Some hon. Members: Hear, hear!

[Mr. Fortin.]

Mr. Kaplan: As I am on my feet for the first time in this session I want to thank all those who encouraged me to stay in politics, to run in York Centre, and who worked to win this seat for me and for my party. I am following here in the footsteps of Jimmy Walker who retired from this House after 12 years of devoted service to York Centre. I want to thank him for his years of hard work in his riding, work which I can assure you, Mr. Speaker, stood me in good stead when he committed his support to me. Jimmy Walker is a credit to this House.

Some hon. Members: Hear, hear!

Mr. Kaplan: York Centre voted Liberal because York Centre people expect that a Liberal government will serve them. I see it as my job for the next four years to make sure, in so far as I can, that it will.

In the Speech from the Throne the government has made a good start. The world is suffering from inflation and from recession, and although Canada is suffering less than other countries from both these problems, my constituents and I myself would identify them as the most serious problems we face in Canada today. The Speech from the Throne addressed both these problems.

I was relieved to see that the government specifically will not follow the traditional approach to fighting inflation, the traditional approach which includes raising taxes across the board, reducing the money supply and cutting back on government programs. I was afraid that the government would follow the lead of the United States where the conservative government of the former president, Mr. Nixon, a few years ago began cutting back government programs. It reduced government involvement by cutting back things like the Great Lakes cleanup and important social and health schemes. These policies, begun by President Nixon will, it seems, be continued by his successor, President Ford.

Here in Canada there are some taxes which should be increased and I am going to refer to them in a moment, and there are a few programs which should be cut back and I should like to refer to them too. By and large, however, York Centre people want good programs to be expanded, and in the Speech from the Throne we see that this will be done. There will be more help for housing; there will be subsidies and supports for farmers to keep the supply of food improving and increasing; there will be higher pensions, especially for veterans and retired civil servants and there will be—and I particularly welcome this—a new entitlement of spouses of senior citizens at the age of 60 to draw old age pensions.

● (2110)

The means test, as applied to entitlement for Canada Pension Plan payments, for those between the ages of 65 and 70 is to be removed. I hope, although the Speech from the Throne did not say this, that these measures will be made retroactive to the date of the last budget, and that all the pensions I referred to will be increased, effective as of that date. I say this because in the election campaign the Canadian people showed strongly that they wanted the increased benefits which were proposed by the government. So I hope that when these programs are introduced, they will be made retroactive.

I have described a number of programs which will cost money. We, in York Centre, will not complain if such programs are expanded. We are willing to pay for them.

Those who attack government spending usually focus on government bureaucracy and government waste. I remind members that it is not only the opposition which is responsible for worrying about government waste. Waste, wherever it occurs in misdirected government planning, is the responsibility of every member of this House. We all represent taxpayers and we all must worry about these things.

But it often happens that those who complain about government waste and alleged government extravagance are really attacking the redistributive function of government. They are against the idea of the government being committed to redistributing a larger part of the Gross National Product to those who need help. That is a responsibility this government recognizes. The amounts spent on bureaucracy are a small proportion of total government spending. Naturally, we must watch waste, but we cannot cut back, particularly not at this time when one of our main worries is the problem of a possible recession.

Government cut-backs never encourage the business community to expand. The government cannot ward off a recession by cutting back on spending. Business is stimulated by valid confidence on the part of the government. A confident government will produce confidence in the business community, which will confidently produce goods knowing they can be bought and provide services, new homes and jobs.

Let me now turn to the problem of inflation. The Speech from the Throne outlines a variety of important programs which will help the needy to catch up with the rest of society. A number of programs are aimed at increasing supply. Hopefully, when the budget is introduced the government will bring back the proposed excess profits tax.

Here I want to focus on an important piece of legislation promised by the government, the bill dealing with unjustified price increases.

Unjustified price increases are not always easy to identify. Statistics can be misleading. One hears of a business or an industry's profits increasing by 300 per cent. Sometimes one may find that the profit in the preceding period, the base year, may have been the equivalent, say, of 1 per cent on invested capital. In that case 300 per cent increase over the base period may be justified. The consumer must face the fact that business faces rising costs, just as he does.

Yet I honestly believe that, although some increases are justified, some increases in our economy are unjustified. They happen in sectors of our economy where the market system is not working properly, where goods are in short supply. Let me refer to the steel industry.

About two years ago the steel industry committed itself to almost doubling production in Ontario alone. That showed great confidence in the future of Canada. It also showed that at the then current price levels the steel industry felt justified in expanding. At present, as steel is in very short supply, great price increases in steel have taken place, and not only at this primary level. I submit that very great profits are being earned, profits which are not justified because the industry had already responded to the incentive to expand. It had already made its decision to expand. So, it has been taking advantage of the situation in which industries, other consumers, are in desperate need of steel. They are in the hands of the steel industry.

I urge the government to bring forward rapidly legislation for dealing with unjustified price increases. After that legislation has been passed I urge that it be enforced vigorously. If it is enforced vigorously it will affect not only the specific prices it is addressed to. Knowing the new power of the government, other businesses and industries will tend to act with restraint, especially in areas of the economy where the market mechanism is not working properly.

Let me turn next to the problem of housing. Housing costs have become the most serious single item facing the people of my constituency and, indeed, of metropolitan Toronto. The retired couple living on a fixed income takes small comfort from a pension which increases by 11 per cent, 12 per cent, or by whatever high figure the cost of living increases, if, in that same period, their rent goes up by 30 or 40 per cent. A pension geared to cost of living increases means little to people in that situation. I welcome the appointment of a new minister responsible in the field of housing. I welcome his vigour and his determination to cope with the problem. I am glad to see important housing programs outlined in the Speech from the Throne. Yet I suggest that the problem of housing is really one to be dealt with by the provinces and municipalities.

Let me ask this question, and suggest an answer to it. Why does a house on our side of the Canadian border cost almost twice as much as a similar sort of house in the United States? Why does a house in Ottawa cost three times as much as a house in a community of about the same size in New York State?

Mr. Benjamin: This is what happens under your version of free enterprise.

Mr. Kaplan: The climate is almost the same; houses in both places need to be built equally well. The mortgage interest rate is about the same. Actually mortgage interest is deductible from income in the United States. From this one would expect the price of houses in the United States to be higher, but it is not.

I have looked at policies pursued by our municipalities regarding the provision of housing and have come to the sad conclusion that those policies are designed largely to serve the interests of those who are already settled, already satisfied with their accommodations, and the communities in which they live. Theirs are the voices which carry most weight with the municipalities and provinces of this country. I suggest there has been a trade-off between accommodation and amenity. In this country, they have worried more about providing amenities, acceding to the wishes of those who are the power behind municipal and provincial governments, than about providing needed accommodation for those who are underhoused and whose housing needs are not well looked after. I submit, Mr. Speaker, that the federal government must

take on the responsibility of protecting the others, those who do not have the kind of housing they want.

● (2120)

When I look at the policies that are outlined in the Speech from the Throne I see there is some hope that, if co-operation can be obtained, the federal government can make a lot of yards and bring a lot of benefit to people who are presently not in the kind of accommodation they want or deserve.

I want to refer back for a moment to the problem of the powers of municipalities. In the municipality of metropolitan Toronto there is now a policy that discourages the city from going up. At the provincial and regional levels there is a policy that discourages the city from going out. When you have a growing city that cannot go up and cannot go out, what happens is that a pressure starts pushing downward. That is exactly what I noticed as I campaigned in York Centre in the last election.

What is taking place in York Centre and other parts of metro Toronto is a doubling up of people in the existing accommodation. In North York and York Centre there is a phantom population in a vast number of single family residences living in basements and on second floors.

At the moment all of this is illegal. People are unsure of their status. They are afraid to move into this kind of accommodation because they do not know if they can put their children into school. They are reluctant to put their names on voters' lists. They live under the eyes of neighbours who have the power at any time to complain and have them driven out.

Although this is not a federal responsibility I did come to a conclusion during my campaign. I urge that the borough of North York and other municipalities recognize as a fact the existence of this population. Thought should be given and policy should be implemented to legalize the status of the second family, the outsider who is sharing a single family home.

This would have a number of benefits. It would automatically increase the stock of housing in Toronto by many, many thousands. It would make family home ownership easier, because the family that wants to buy a house could do so knowing with certainty that it would receive income from the rental part of the house. This would help pay the mortgage. It would be easier for senior citizens to hold on to their homes by taking in another family to share their residences. Most important, it would normalize the status of the phantom population.

I have been talking about policies of the province and the municipality. I want to turn to policies the federal government should look at in addition to those contained in the Speech from the Throne.

It should be observed that rental accommodation is no longer being built in the municipality of metropolitan Toronto. Rents on existing accommodation are rising very high. As high as they are rising, this is still no incentive to builders again to start building rental accommodation. They are holding back.

I urge the government to consider doubling the capital cost allowance which is applicable under the Income Tax Act to rental accommodation such as apartment buildings.

[Mr. Kaplan.]

With the interest rate as high as it is today, a doubling of the capital cost allowance would be the equivalent of an interest reduction of 3 or 4 per cent. That is very substantial. That kind of reduction should get building going again on badly needed rental accommodation in the metropolitan Toronto area.

I also urge the government to consider looking at the park property that has been acquired along the waterfront of Toronto and consider building on it or dedicating a part of that for accommodation. This was very expensive land. Park accommodation and recreation are badly needed in the municipality of metropolitan Toronto. However, considering the need for housing, some consideration should be given to using part of that newly acquired land for the development of balanced housing communities.

I am inspired to say a word about the Downsview air base which I now represent. I want to address myself to the problem of housing for veterans. Unless there is a change in the government's plans, the policy of giving a concessionary mortgage to veterans to assist them in establishing themselves on land or in housing will be terminated next March. I urge the government to consider using a part of Downsview air base for housing, particularly housing for veterans.

One factor which may not have been noted is that a person who is still serving in the armed forces is not eligible for the benefits of land acquisition under the Veterans Land Act. This means that unless the person quits his job and leaves the service before next March, he will lose the right to any benefit under that program.

I urge the minister to look at the Downsview air base. A lot of land included in that base is not required for its present purposes. Balanced housing is a need. Balanced housing would be an acceptable solution for the use of part of that property. Keeping in mind the needs of veterans and others, that could be a development of tremendous importance to York Centre.

I wish to conclude by making a few comments about the unemployment insurance situation. At the time of the 1972 election the administrative problems of the Unemployment Insurance Commission were extremely serious. During that election unemployment insurance was the major issue in many parts of Canada. Since then the control of that system has been very greatly improved. In fact it could be argued that in the balance between service to the client and control, we have pretty well done as much as we can do on the side of control.

As a member of parliament I receive many calls from people who have been cut off unemployment insurance, something that did not happen very much in 1972. Some are justified and some are unjustified. This suggests that there may be a good balance between control and service. I would like to see the government turn to the concept of unemployment insurance with the basic fundamentals of the plan. I submit that adjustments can now be made in light of the experience with that plan over the past few years.

I was very pleased to find that in a speech delivered by the responsible minister during the election campaign last May, he described two of the changes that would have been brought about in the legislative program then before

the House. I hope those two changes will be brought forward quickly.

One of these changes would have the effect of increasing the amount of service required before there is entitlement to unemployment insurance. It is presently eight weeks. During the election campaign the Conservatives argued this should be increased to 12 weeks. That was their policy. What is needed is a cutback in the amount of benefits that are acquired after a small amount of service. In light of experience there is justification for giving only four or five weeks' entitlement after eight or 12 weeks' service, or whatever it is going to be. I thing it is wrong to give 20 weeks of benefit after only eight weeks of service. That is an undue incentive to people who are only marginally committed to the labour force.

● (2130)

Mr. Benjamin: What does that mean?

Mr. Kaplan: "Marginally committed to the labour force" refers to an individual who works from choice and not from necessity.

An hon. Member: Sounds like a Liberal Member of Parliament.

Mr. Kaplan: I was glad also to see that the minister intends to do something about the regulations which apply to people who quit their jobs or who are dismissed for cause. Right now some weeks of benefit are lost, so there is a measure of disincentive if a person quits or is dismissed for cause. However, the minister has noted that the disincentive is not sufficient—there ought to be stronger provisions.

Back in 1972, people who criticized this aspect of the Unemployment Insurance Act were often accused of being against the working man. Some of us suffered unfairly under that label at the time. But today I do not believe it appears reactionary to be critical of the way in which unemployment insurance is working. I believe the working man, too, is critical of a system which allows someone beside him to quit, or be dismissed for cause, and then proceed, virtually on the same basis as the person who has been laid off, to claim unemployment benefits.

An hon. Member: Five weeks.

Mr. Kaplan: Well, two weeks goes for everyone. So the penalty is only three weeks, and that is not enough. I was glad to hear the minister say before the election he was prepared to do something about this situation. I can assure the minister that changes of this kind will be supported, not only by the business community but by the population at large who are disappointed that a small but important number of people have been abusing the unemployment insurance plan.

Mr. Speaker: Order. It is now 9.35 p.m. and I recognize that at 9.45 I shall have to call a division on this matter. For this reason I am reluctant to recognize an hon. member who has obviously prepared remarks of a duration longer than the eight or nine minutes remaining to us. It was my intention to recognize the hon. member for Central Nova (Mr. MacKay) as the next speaker, but rather than have him begin his speech and see it abruptly terminated I wonder whether the House would not be prepared to proceed with the division at this time, recognizing that the hon. member would technically be the first speaker on the amendment tomorrow, once we had disposed of the sub-amendment.

Is the House ready for the question?

Some hon. Members: Agreed.

Mr. Lefebvre: With your permission, Mr. Speaker, might I say that the vote has already been announced—that the bells are to start ringing at 9.45—

An hon. Member: Let them ring that much longer.

Mr. Speaker: It would be the idea that the bells would ring somewhat longer so that no hon. member would be inconvenienced. The question is on the amendment to the amendment in the name of Mr. Broadbent. All those in favour of the amendment to the amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the amendment to the amendment (Mr. Broadbent) which was negatived on the following division:

● (2140)

(Division No. 1)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Baldwin
Bawden
Beatty
Benjamin
Blackburn
Brewin
Brisco
Broadbent
Cadieu
Caouette
(Villeneuve)
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Cossitt
Crouse
Darling
Dick
Dinsdale
Douglas
(Nanaimo-Cowichan-
The Islands)
Ellis
Elzinga
Epp
Firth
Forrestall
Fortin
Fraser
Friesen
Gauthier
(Roberval)
Gilbert
Gillies
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Jones
Kempling
Knowles
(Winnipeg North Centre)
Lambert
(Edmonton West)

Division

Laprise
La Salle
Lawrence
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinnon
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Patterson
Reynolds
Ritchie
Roche
Rondeau
Saltsman
Schellenberger
Scott
Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Symes
Towers
Wenman
Whiteway
Whittaker
Wise
Woolliams
Yewchuk

NAYS

Messrs.

Abbott
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cyr
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce)
Drury
Dubé
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Foster
Fox
Francis
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Morin (Mrs.)
Munro (Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Philbrook
Pinard
Portelance
Poulin
Railton
Raines
Reid
Richardson
Roberts
Robinson
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Trudel
Turner (London East)
Watson
Whelan
Yanakis
Young

● (2210)

Mr. Speaker: I declare the amendment to the amendment lost. It being after ten o'clock, this House stands adjourned until eleven o'clock a.m. tomorrow, pursuant to Standing Order 2(2).

At 10.14 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, October 4, 1974

The House met at 11 a.m.

PRIVILEGE

MR. LAMBERT (EDMONTON WEST)—APPOINTMENT OF COMMISSIONERS OF INTERNAL ECONOMY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I rise on a question of privilege, one that I raised on the opening day of this session and which, by agreement, was deferred for presentation to this House for determination by Your Honour as to whether there is a prima facie case of privilege. I have a motion which, on that determination by Your Honour, I hope to present to this House. I may say that I have had consultations and my presentation this morning is by agreement with the President of the Privy Council (Mr. Sharp) as to its timing. I hope that the question I raise and the way that it will be presented in the motion will commend itself to members of the House.

I am speaking to the interpretation of section 16 of the House of Commons Act, principally subsection (1), dealing with the composition or the nomination of the commissioners of internal economy. As you know, the commissioners are appointed to assist and advise Mr. Speaker in determining the questions dealing with the administration of this House. There are financial questions, questions of administration, and so forth, as laid down in sections 16, 17 and 18 of the House of Commons Act. In so doing, and in calling into question the practice that has existed of naming the four commissioners to assist Mr. Speaker exclusively from the cabinet, I am putting to the House that this interpretation is too restrictive and that it affects thereby the privileges of all members of the House. This House is its own master; the cabinet is not master of this House. This House stands on its own.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): In raising the point may I hasten to add that I am not challenging the nomination of the present four members of the Privy Council who were named on September 30. That to me is clearly correct under the act. However, my point is that section 16, subsection (1) reads as follows:

> The Governor in Council shall appoint four members of the Queen's Privy Council for Canada who are also members of the House of Commons, who, with the Speaker of the House of Commons, shall be commissioners for the purpose of this section and sections 17 and 18.

I find the method of appointment and the reporting to the House perfectly correct. However, I have raised this point on previous occasions in various Committees and also with the Prime Minister, and I may say that in the reply I received from the right hon. Prime Minister, he raised certain points to substantiate the present practice which were wrong in law, and I want to touch on those briefly.

First of all, the point is made that the presence of cabinet ministers is necessary to supervise the provision and the payment of funds voted to this House as required. This argument falls to the ground immediately because in the other place, which is an integral part of the parliament of Canada, there are no commissioners. There is a committee of internal economy composed of hon. senators from all parts of that chamber who advise Mr. Speaker of the Senate, and they have the same function as have the commissioners in this House. Therefore, there is no requirement, in so far as parliament is concerned, to have cabinet ministers only supervising the distribution of funds as required under sections 17 and 18 of the House of Commons Act.

Second, it is said in justification that in 1868, when the House of Commons Act was passed, it was the practice that members of the Privy Council on leaving office resigned from the Privy Council. That is wrong in law and in history, because in 1867 there were cases of members of the Privy Council who, on vacating their position as cabinet ministers, attempted to resign. The Governor General of the day refused their resignations. In 1868 the predecessor to the House of Commons Act, the Titles Act, was passed along with the first table of precedents. It was made clear that members of the Privy Council, who then were not of the cabinet, still remained members of the Privy Council. It is a well known fact that a member of the Privy Council cannot resign without the consent of the Queen. He cannot resign unilaterally, nor can he be forced to vacate his position except at his specific request and with the consent of the Queen.

● (1110)

A further point is made that there is some sort of constitutional convention governing this interpretation of the words "Privy Council". Mr. Speaker, constitutional convention never established law. I am looking at the interpretation of a statute. A further point was made that one must look to the events surrounding the passage of the legislation and the intent of the legislation as evidenced by what was said in the House at the time of passing the law. Of course, that is a totally erroneous premise in so far as the interpretation of the statutes in Canada is concerned. In support of that contention we have the opinion of no less an august body than the whole membership of the Supreme Court of Canada, to cite the latest case of 1961, the *Reader's Digest* versus the Minister of National Revenue. The court said there is no way, in our jurisprudence, of introducing evidence of intention of strictures by citing speeches in the House of Commons, or elsewhere in the parliament of Canada, in order to arrive at an interpretation of the statute. The statute speaks for itself.

I trust other hon. members may express themselves with regard to this point of the privileges of hon. members, Mr. Speaker. On this narrow basis I submit to you, and to the

House through you, Mr. Speaker, that the interpretation of section 16(1) has been and still is far too narrow and that it could encompass the appointment of privy councillors not of the cabinet, for purposes of the statute, that is to assist you in the administration of this House. I hope my suggestion commends itself to hon. members and to members of the government. As in so many other legislatures all around the world, this question should be in the hands of a small committee of senior members from all parts of the House. Such small committee could, of course, include one or two cabinet ministers, though no more.

In summary of my submission I submit that there is a prima facie case for your consideration, Mr. Speaker. Unfortunately, I have not the text of my motion at the present time because of a problem with translation and transportation from the Confederation Building, but it will be forthcoming. In effect my motion will be:

That section 16 of the Senate and House of Commons Act shall be referred to the Committee on Privileges and Elections for examination as to its interpretation, its suitability, and report to this House.

I hope that other hon. members will be prepared to comment on my motion.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member did raise this point on Monday last, which was the first occasion upon which it could have been raised. At that time he indicated that rather than take the time of the House then, his argument would be deferred to another occasion. I am not sure that wording was enshrined in an agreement, but as a result, the matter is being raised this morning.

At this point I may say that I did not on Monday, I have not now nor do I propose at this time, to rule on whether there is in fact a question of privilege involved. I have some doubt about that as it involves the interpretation of a statute, an interpretation which may have been made on a wider basis. I am troubled as to whether there is any indication of privilege and that it must have been or ought to have been raised as such.

In any case, the hon. member has given an indication that, after some consultation, there might be unanimous consent and that his motion would carry this morning with the subject referred to the Committee on Privileges and Elections. I am prepared to seek that unanimous consent now. If it is forthcoming then the motion will be put and carried. If it is not, I would propose to reserve on the basic question of whether it is a question of privilege, hear argument and deliver reasons for my decision at some later date. Is there unanimous consent for the hon. member's motion, as he has outlined it, to be put at this time?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the motion and about the difficulty of tabling it physically. Shall the motion carry?

Some hon. Members: Agreed.

Motion agreed to.

[Mr. Lambert (Edmonton West).]

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

PROCEDURE FOR DEALING WITH BILL CONCERNING GRAIN HANDLERS STRIKE

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, as hon. members are aware, there stands on notice, in the name of the Minister of Labour, a bill respecting the grain handlers' work stoppage. This bill will be introduced on Monday.

In order to expedite this matter perhaps we could make it an order now that, when orders of the day are reached on Monday, we will proceed with the motion for second reading of this bill.

Mr. Speaker: Hon. members have heard the motion. Is this agreed?

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I think we can agree. May I make a further suggestion. I am aware of the difficulty the government faces with regard to this legislation and I appreciate having been made aware of the physical contents of the bill by the President of the Privy Council. This will enable me to advise our people. Because of the difficulty in which the government finds itself I want to co-operate. I am bound to say that the position of the Minister of Labour, and of the government, is very much like that of a client of mine with whom I dealt with some years ago. When his wife was already in labour he applied for hospital and medical insurance. When challenged, he could only reply weakly that the situation was one of sudden and urgent necessity. He had forgotten about it in the last nine months.

Nevertheless, we are prepared to co-operate. May I make this additional suggestion. Because of the need to facilitate passage of the legislation which the House in its wisdom may decide to enact, and also because many members will want an opportunity to intervene in that debate, could we not add to the order already suggested this: that we suspend the usual rules as to adjournment on Monday, deal with the bill on second reading—I am talking of second reading only—and then, after all members who wish to make a contribution have done so, refer the bill to the appropriate standing committee.

● (1120)

This would give an opportunity for hon. members to voice their opinions and at the same time advance the legislation so that it can receive examination in committee. If necessary, the committee will consider the question of witnesses as well and proceed with the bill expeditiously, having in mind all the circumstances.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we are anxious to expedite dealing with this bill, but we think a better way of doing it would be to agree to a limitation on the time of speeches, perhaps not for the introducers and main reply from the opposition, but generally reduce the length of speeches to try to get it through in one day without prolonging the session of the House. In addition, we would much prefer that it be dealt with by committee

of the whole rather than referred to another committee of this House. It is a matter of great importance to Canadians generally and we think the whole House should deal with it in committee.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, as a result of the discussions we had with the hon. President of the Privy Council, we still agree to support his motion and further agree with the suggestion the hon. member for Greenwood (Mr. Brewin) of the New Democratic Party has just made that, when the time comes, instead of referring the bill to the standing committee, perhaps we should rather discuss it in committee of the whole, so that considering the importance of the bill, we can pass it as speedily as possible.

[*English*]

Mr. Baldwin: Mr. Speaker, I suppose we can hardly anticipate now what the House will decide on Monday with regard to where the bill goes. It may be a question for argument, but I feel it would be most improper not to have the opportunity of examining the Minister of Labour (Mr. Munro) at least with regard to what has happened and with relation to the details of the bill. That cannot be done effectively in the House. The bill would come back to the House for third reading and there would be an opportunity then for members to make further decisions. We will facilitate the committee proceedings. For our part, there cannot be any agreement to dispense with the normal course which is that the bill go to a standing committee, unless the House should make an order otherwise. We are not prepared to consent to that order.

There is one other point. With regard to the proposal made by the hon. member for Greenwood (Mr. Brewin), we are willing to suggest that after the original speeches there be a limitation of 20 minutes.

Mr. Speaker: There is no motion before the House at this time; simply a statement on motions by the President of the Privy Council (Mr. Sharp). However, this is a matter which will be dealt with on Monday. If there are further consultations and an agreement that an order of the House be made later this day, so be it. In any case we have no proposal for an order, simply an announcement. In any event, that will be the business of the day on Monday. Have I misunderstood the nature of the remarks?

Mr. Sharp: Mr. Speaker, I think it would be desirable that an order of the House do issue today so that preparation can be made for the debate on Monday. Like the spokesmen for the NDP and the Social Credit party, the government would prefer that the bill be referred to the committee of the whole. However, the Progressive Conservative party House leader will not give consent to that procedure. It would expedite consideration of this very important measure if, notwithstanding our particular reservations about the committee to which it might be referred, we could agree today to an order that it follow the ordinary rules of the House.

As hon. members know, it is part of our rules that bills of this kind are referred to a standing committee and that consent is required for them to be referred to a Committee of the Whole. I would hope that later this day an order might be made which would be acceptable to all members.

Mr. Speaker: Is the President of the Privy Council seeking an order now that the bill should be dealt with on Monday in any case, with an order later as to how and when, or does he consider it better to leave it until a full order is put forward later in the day?

Mr. Sharp: Mr. Speaker, I do not think there is any question about the importance of dealing with this bill immediately—

Mr. Diefenbaker: After five weeks of delay!

Mr. Sharp: I think an order should be made now. I would prefer it if the House leader for the Official Opposition could frame an order now, and then, perhaps, we could dispose of the matter immediately.

Mr. Baldwin: If the hon. members speaking for the New Democratic Party and the Creditiste Party, despite their very reasonable reservations, would agree at this time to the course I have mentioned, we could dispose of the matter now and make the one order.

Mr. Brewin: I have consulted with the other members of my party and they are agreeable.

[*Translation*]

Mr. Fortin: Mr. Speaker, this proposal is also agreeable to us.

[*English*]

Mr. Speaker: Shall it be ordered, then, that the bill be introduced and stand for second reading on Monday?

Some hon. Members: Agreed.

Mr. Baldwin: And could we not add the items with which I believe we have already agreed in principle—that the ordinary rule as to adjournment be suspended and that the—

Some hon. Members: Oh!

Mr. Baldwin: Well, I gathered this was the understanding on the basis of which I made my suggestion.

Mr. Speaker: I would respectfully suggest we have gone as far as we can go at this moment. If there are other consultations which might result in an order later in the day, so be it. But, for the moment, enough is enough.

Some hon. Members: Hear, hear!

Mr. Speaker: I should like to take this occasion to remind hon. members that since this arrangement varies the order of business for Monday we shall not be debating the Address in Reply to the Speech from the Throne on Monday, with the result that the House will not sit at eleven in the morning but rather at two o'clock in the afternoon.

Oral Questions

THE EXPORT DEVELOPMENT ACT

AMENDMENTS TO INCREASE AUTHORIZED SHARE CAPITAL, CLARIFY DEFINITIONS AND POWERS

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved for leave to introduce Bill C-9, to amend the Export Development Act.

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

* * *

THE PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT TO INCREASE MAXIMUM AMOUNT OF ADVANCE PAYMENT

Hon. Mitchell Sharp (for Minister of Justice) moved for leave to introduce Bill C-10, to amend the Prairie Grain Advance Payments Act.

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

* * *

[*Translation*]

NATIONAL ANTHEM ACT

MEASURE TO DESIGNATE NATIONAL ANTHEM

Hon. James Hugh Faulkner (Secretary of State) moved for leave to introduce Bill C-11 intituled "An Act respecting the national anthem of Canada".

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

ORAL QUESTION PERIOD

● (1130)

[*English*]

TRANSPORT

GOVERNMENT MEASURES TO DEAL WITH ACCIDENTS IN THE NORTH—AVAILABILITY OF REPORT ON PLANE CRASH NEAR FROBISHER BAY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. In view of the number of air crashes in the north and the grounding of the motor vessel *Minna* in a break-up of the ice, and since obviously there is no means in the north to prevent or to deal with this kind of situation, may I ask the Prime Minister whether he is prepared to request or instruct his ministers of defence, the environment and transport to get together and produce measures that will permit our government, through the armed forces and other services, to provide an expert presence so necessary in the north to deal with this kind of tragedy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take that suggestion under very serious consideration.

[Mr. Speaker.]

Mr. Stanfield: A supplementary question, Mr. Speaker, for the Minister of Transport relating to the inquest into the tragic plane crash that took place near Frobisher Bay last February. May I ask the minister why the report, which is apparently fully prepared, of the investigation conducted by the minister's own department has not been made available to the coroner. I ask the minister why it will not be made available until release is authorized by some very high level in the transport department.

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there must be a mistake in the way the question has been put, a mistake the hon. Leader of the Opposition made when he said the report is "fully reported or ready"...

[*English*]

It is not complete because there are some technical things that have to be added. I am just waiting for that before making the report public.

REPORT ON PLANE CRASH NEAR FROBISHER BAY—REASON FOR DELAY

Hon. Robert L. Stanfield (Leader of the Opposition): A further supplementary question, Mr. Speaker. Since this kind of investigation involves the department's investigating itself, and since presumably this is one of the matters the minister has in mind overcoming or dealing with in the commitment in the Speech from the Throne, is it not open to suspicion, to put it very bluntly, that the report has not been released because officials or others in the department wish to edit the report, since it involves an investigation of the department itself and may mean some finding of default or defalcation on the part of the department?

Hon. Jean Marchand (Minister of Transport): If this is so, Mr. Speaker, then I think I have the same interest as the Leader of the Opposition. I am going to look into it. I asked the question myself in the department and was told the report had not been published because the department was still waiting for the complete report. If the hon. gentleman thinks somebody has something to hide, then I will try and get it revealed.

Mr. J. R. Ellis (Hastings): Mr. Speaker, I have a brief supplementary question for the Minister of Transport. Since his department promised me that the report would be ready in June, why has it taken so much longer to produce this report? After all, the truth cannot be changed after the accident in February.

Mr. Marchand (Langelier): No, Mr. Speaker, the truth cannot be changed, but sometimes it takes time to reveal the truth.

POLLUTION

OIL SPILL FROM MOTOR VESSEL "MINNA"—MEASURES TO CONTROL DAMAGE

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a supplementary question for the Minister of the Environment which relates to the question of the Leader of the Opposition regarding the oil spill from the motor vessel *Minna* under charter to the oceanographic service and which ran aground in Brewer Bay off Resolution Island on August 18. In view of the fact that the crew and scientific equipment were removed on August 21 and the vessel declared abandoned at that time, why was the supply of light diesel fuel not also removed then, or in the intervening six weeks, so that the present damaging oil spill could have been avoided?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, there were attempts to empty the ship's fuel oil but they were unsuccessful. This is quite understandable and is one of the reasons for which the ship went aground. The sea in that region is very active. It was impossible to remove the oil, which of course was the responsibility of the owners of the ship. At that time DOE was not responsible for the ship but felt it had a moral responsibility to insist that attempts be made to remove the oil. That has not been possible.

Our assessment is that damage to the environment will be minimal because the sea is active and the oil will be flushed out to sea. Since it is light fuel oil it will be rapidly emulsified and evaporated.

Mr. Speaker: The hon. member for Prince George-Peace River may ask a final supplementary.

Mr. Oberle: Mr. Speaker, if the responsibility lies with the owners of the ship, has the government taken any action to ask the owners to provide for cleaning up? I cannot agree with the minister that because of the lightness of the oil there is no damage.

Mr. Speaker: Order, please. It would be preferable if we simply confine ourselves to questions, especially when we are well down the line in supplementaries. I thought the question was clearly put; perhaps the minister would answer.

Mrs. Sauvé: Mr. Speaker, we did try to take measures to avoid damage, but the damage is minimal. We knew that the only thing to do in a case like this was to hope the oil would be washed out to sea, and this is what will happen. It will evaporate in a matter of weeks, and this is the best way to deal with that particular situation.

* * *

INDIAN AFFAIRS

REQUEST OF INDIAN BROTHERHOOD FOR MEETING WITH CABINET—GOVERNMENT POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Prime Minister. In view of the request of the National Indian Brotherhood representing some 300,000 registered Indians for a meeting with the cabinet and the Prime Minister to deal with the urgent problems facing the native peoples of Canada in a co-operative atmosphere, will the Prime Minister arrange to meet this request and agree to the interview proposed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will consider the matter very seriously, and if a meeting is arranged I will let the House know.

* * *

TRADE

ALLEGED DETERIORATION OF CANADAS' TRADE BALANCE—GOVERNMENT ACTION TO RECTIFY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Since Statistics Canada stated on September 27 that during the first eight months of the year real exports from Canada had decreased by 5 per cent compared with the same eight month period the year before, and that during the first eight months real imports to Canada had increased by 4 per cent, would the minister take the first opportunity on motions to outline to the House what steps he and his department plan to take to overcome this serious and continuing deterioration of our trade balance?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, as the hon. member is well aware, the strength of Canadian exports depends very much on the health of foreign economies and the willingness and ability of our foreign customers to buy. Unfortunately, foreign economies have not been as strong as the Canadian economy. Our exports have not increased as fast as our imports, and that is the reason for the figures the hon. member has just given the House. At the same time, I should like to assure the House that Canadian exports are very strong, and are up 26 per cent this year.

Some hon. Members: Hear, hear.

Mr. Gillespie: Also, Mr. Speaker, with your permission, I should like to make this further comment. We will be seeking in all manner of ways to liberalize world trade, and it is particularly significant that in the Speaker's gallery today is the director general of GATT—the General Agreement on Tariffs and Trade—who is visiting Ottawa, Mr. Olivier Long. We welcome him to Canada.

Some hon. Members: Hear, hear.

Mr. Hees: A supplementary question, Mr. Speaker. Is the minister not aware that the real figures I have indicated, as expressed by Statistics Canada, show what the true picture is? They take the exports and imports in dollar value and subtract the inflation figure from them, which leaves the real picture. The picture that I have given is that given by Statistics Canada, showing that exports have been decreasing and imports increasing.

Mr. Gillespie: I should like to reassure the hon. member that Canada is continuing to run a favourable trade balance.

● (1140)

INDIAN AFFAIRS

MINISTERIAL MEETING WITH NATIVE REPRESENTATIVES—REASON FOR DELAY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Minister of Indian Affairs and Northern Development whether he has been meeting with representatives of the Indian caravan group. Have there been any communications and what has been the nature of any discussions which may have taken place.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, to date I have not met with representatives of this group. We had a tentative meeting set for two p.m. on Monday. They were otherwise occupied. Since that time there have been, I think, three communications between representatives of this group and my office. I have indicated I am prepared to meet with them but there apparently has not been willingness on their part to take advantage of this opportunity.

Mr. Diefenbaker: Mr. Speaker, apparently the minister is now willing to meet with these people. Has there been any suggestion they have demanded terms before they will meet with the minister? Has there been anything of that kind to delay a meeting which should take place? Otherwise, the situation will be exacerbated the longer they remain here.

Mr. Buchanan: Mr. Speaker, the only condition I imposed is that I am not prepared to go down to the Indian embassy at Carbide Mills.

Mr. Diefenbaker: That means you closed the door.

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PARLIAMENT HILL

REQUEST OF INDIAN BROTHERHOOD FOR INVESTIGATION INTO VIOLENCE—GOVERNMENT POSITION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is directed to the Prime Minister. Will the Prime Minister also accept the suggestion made by the National Indian Brotherhood that there should be an independent investigation of the violence of Monday on Parliament Hill?

Right Hon. P. E. Trudeau (Prime Minister): I am not aware of that suggestion, Mr. Speaker. I will discuss that with the minister. I do not know what is deemed to be an independent investigation. We believe the facts are well known to the public. The government has hidden nothing.

* * *

TRANSPORT

BRITISH COLUMBIA FERRY SYSTEM—REASON FOR FAILURE OF FEDERAL GOVERNMENT TO SUBSIDIZE

Mr. John Reynolds (Burnaby-Richmond Delta): Mr. Speaker, I have a question for the Prime Minister or possibly the Minister of Transport. In view of the fact that the B.C. ferry system is the only ferry system that is part of the trans-Canada highway and not subsidized by the federal government, could the Prime Minister or the Minister of Transport tell us why the government refuses to subsidize the B.C. ferry system?

[Mr. Gillespie.]

Hon. Jean Marchand (Minister of Transport): I think, Mr. Speaker, we subsidize only ferries which service two provinces. I do not think there is a borderline between Victoria and Vancouver. This ferry system is within the same province. This is the reason we do not give any subsidy.

Mr. Reynolds: I have a supplementary question, Mr. Speaker. That answer might make some sense if there were not a ferry service on Lake Huron totally subsidized by the federal government. I would still like to know why the government refuses to subsidize the B.C. ferry service when it subsidizes a service within one province.

Mr. Marchand (Langelier): Mr. Speaker, we have to take one or the other decision, that is either to subsidize the first one or subsidize the second one.

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[*Translation*]

HOUSING

GOVERNMENT POSITION ON REMOVAL OF ELEVEN PER CENT TAX ON BUILDING MATERIALS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the right hon. Prime Minister. Does he intend to take action on the recommendations made in the report of the Economic Council of Canada on the problem of housing construction, particularly concerning the removal of the 11 per cent sales tax on building materials?

Right Hon. P. E. Trudeau (Prime Minister): Concerning this particular suggestion, Mr. Speaker, the answer is no. As to the general recommendations in the report, many of them are quite interesting and the government intends to take action on them.

* * *

[*English*]

AGRICULTURE

EGGS—KNOWLEDGE OF DEPARTMENT OF OVER-PRODUCTION AND MEASURES TO DEAL WITH IT

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is directed to the Minister of Agriculture. In light of the fact that there is circulating in the egg industry, as well as branches of his department, weekly statistics with regard to not only egg production but also hatching of chicks which eventually become pullets, and in light of the fact that over a long period earlier this year these statistics clearly showed not only an over-production of eggs but also chicks, would the minister tell us what action he or his department took either personally, through CEMA or through the council to avert what is obviously an over-production of both eggs and chicks.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hatchery people run their business and CEMA runs its business. The total over-production of eggs which caused the problem amounted to one-half of one per cent. If the hon. member has any way to solve that problem I think CEMA, the provincial marketing boards and the hatchery people would be most interested in receiving his advice.

Mr. Jarvis: Mr. Speaker, I have a supplementary for the minister. In view of the fact that statistics of April this year, for example, showed an obvious over-hatching of chicks which would eventually find their way into the pullet market, was the minister's department not prepared at that time to avert the possibility of those chicks finding their way into the laying market which would obviously create an over-production some months later.

Mr. Whelan: Mr. Speaker, I think it should be made very plain that there is no control over the hatchery people of this nation in respect of how many eggs they can set in their incubators or how many chickens they can hatch. We do not have that kind of control. The provincial marketing board does not have total control and therefore does not have authority in that area. It is asking for changes so that more control can be established in order to properly stabilize the market and so on. This will all be brought out at the hearing. They will tell us what they have asked for, what they suggested and so on. But I make it very clear that the Department of Agriculture does not run their business. It can advise people in respect of over-production. The publications issued by the department have shown what the department thinks about over-production and so on, but I repeat that if you can show me any industry that can come any closer in estimating the production of such a perishable, fragile product as eggs, that is, not be out more than one-half per cent of total production, I would like to know it.

Mr. Speaker: The hon. member will be recognized for a final supplementary.

Mr. Jarvis: I thank you, Mr. Speaker, for your indulgence. Would the minister then simply tell the House whether it is his position now that production at the hatchery level should be controlled be it through CEMA, the council or whatever. Is that the position he now takes in respect of hatchery production in the poultry industry.

Mr. Whelan: I said yesterday in my speech that you could not have stability in any market, let alone that involving a perishable product, unless you have some control. That is up to the producers or those who organize this program. This government said it does not intend to run their business. In any country where the government runs the agricultural business there is not over-production but rather under-production most of the time. The problem here is over-production. If we had that problem in other parts of society we would not have the problems we have today.

Mr. Hees: That is the gospel according to St. Eugene.

TRANSPORT

FREIGHT RATES—GOVERNMENT POSITION ON EXPIRATION OF FREEZE—SUGGESTED RECONSIDERATION OF PROFIT POSITION OF CANADIAN PACIFIC

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the statement made by the President of the CPR, which had the appearance of a decision already made, that there would be heavy freight rate increases when the freeze expires on December 3 which will be made in two or three large bites, may I ask the minister whether the government has any intention of extending the freeze or calling upon the Canadian Transport Commission to severely restrict any proposed freight rates increases of Mr. Sinclair.

● (1150)

Hon. Jean Marchand (Minister of Transport): I think we read the same newspapers but I am not sure to which newspaper the hon. member referred. I said yesterday or the day before that I was meeting with the western ministers on October 20 or 21. I want to discuss this problem because, as the hon. member knows, the freeze applies only to about 22 per cent of the rates. So we have to see really whether this is something we should maintain or whether we should do something else. But I would like to discuss it with the interested ministers, not only the western ministers because the others are interested also. So at this moment we have no decision but we are considering the matter.

Mr. Benjamin: I wish to ask the minister whether, in view of the profits of CP Ltd. of $122 million last year compared with $170 million in 1974 and $200 million in 1975, and in the light of the fact that the railways have large investments in real estate and other such operations which have nothing to do with transportation, as well as in the light of the very healthy position, to put it mildly, of CPR, he would require the railroad to direct a larger proportion of its profits and capital into railway plant and equipment than into other enterprises.

Mr. Marchand (Langelier): I think the only comment I can make at this stage is to say I am very happy to see that CPR recognizes that, while it is a very profitable business to move goods in Canada, we will have to take that into account in any future move we will make.

* * *

LABOUR CONDITIONS

CONSULTATIONS ON COLLECTIVE BARGAINING PROCESS—SUGGESTED ESTABLISHMENT OF TRIPARTITE BODY OF LABOUR, MANAGEMENT AND GOVERNMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is for the Minister of Labour. Given the fact that there will be problems resulting from the fact that the government does not have any inflationary policy in particular and noting that last month in Vancouver the minister called for an intensive examination of the collective bargaining process which could involve a tripartite

body of labour, management and government, could the minister give us any advice as to what steps were taken to date in order to bring about the establishment of such an important and much needed body?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I have held informal meetings with some principals involved in the labour and business communities but, more important, some of them dealt with the over-all inflationary situation. The Prime Minister has also taken part in such meetings. We hope that at meetings of this kind some suggestions will be made to deal with the problem.

Mr. Alexander: In view of the importance of the adoption of the principle of public interest, which he discounted yesterday, I should like to ask the minister whether he would give further particulars regarding the terms of reference that he discussed with the parties involved and give us some indication as to their reaction or any other particulars.

Mr. Munro (Hamilton East): I think that the hon. member might agree that it is not particularly helpful, when you are discussing these matters, to come up with specific proposals before you have even had a chance to meet with the parties and obtain their views regarding how they wish to proceed. We have been criticized before, not only by some of the interested parties, but by the opposition, for totally undermining any meaningful consultations by coming to conclusions prior to consultations with the parties.

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NATIONAL DEFENCE

SUCCESS OF DEPARTMENT IN OPERATING NEW BUDGETING SCHEME—ALLEGED ORDERS TO CUT OPERATIONAL COSTS

Mr. Allan B. McKinnon (Victoria): My question is for the Minister of National Defence. On October 10 last year he announced a new budgeting scheme for the armed forces which would "allow for substantial increases in capital expenditures for badly needed new equipment". Could the minister advise the House as to the success of his announced program?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the hon. member will realize that in the intervening period there have been vast increases in costs. Our main expenditures in national defence are in the categories of personnel, maintenance and operations, and new equipment. We have found it necessary to reduce the expenditures, or try to, in all three of these categories in order to stay within the budget.

Mr. McKinnon: Could the minister inform the House whether his budget is now in such disarray that he has ordered commanders in the field to cut their operational and maintenance budgets by 30 per cent or, alternatively, does he contemplate a further reduction in the strength of the forces?

[Mr. Alexander.]

Mr. Richardson: I have indicated that we have found it necessary to reduce expenditures in all categories. We are by no means in disarray. We are operating in an orderly way under difficult high cost conditions.

* * *

AGRICULTURE

ALLEGATION EGGS SHIPPED FROM NEWFOUNDLAND TO BRITISH COLUMBIA WERE DESTROYED WHEN USABLE—GOVERNMENT SUPPORT FOR PROCESSING

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, could the Minister of Agriculture please tell the House and the people of British Columbia who are currently paying not 84 cents but 94 cents a dozen for eggs, whether or not many of the supposedly rotten eggs shipped all the way from Newfoundland to British Columbia for final destruction were not actually rotten but rather many were in a whole and usable form and declared rotten or cracked in order to justify their destruction. Furthermore, in view of the fact that major plants processing raw eggs to powdered eggs were and continue to operate at less than 50 per cent capacity, is the minister prepared to purchase or subsidize the processing of current or future surpluses to ensure that this despicable waste does not continue to occur?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member is not aware of all the details regarding the shipment of those eggs. Some of the things he said would not have been said by him if he had been aware. The eggs shipped from Newfoundland were commercial eggs. They were transferred from 40 foot cars to 50 foot cars without government inspection. Then they were shipped for processing because I was told there were no eggs available for processing at the plants in western Canada. Why in the world did it take three weeks to ship eggs to British Columbia? In spite of this, some people are suggesting we should have shipped them to Austria. If it takes that long to reach western Canada, I do not know how in the world we could have shipped them overseas. I am sure the hon. member would not blame CEMA which does not set the price of eggs in British Columbia. It is the British Columbia egg marketing board which sets the price of their own eggs, as do the other provinces. CEMA has the obligation of taking surplus eggs from the provincial marketing boards. If the hon. member thinks that they are happy about the waste or that anyone else is happy about it, he is wrong. He should check the history of egg production and see how eggs were destroyed by farmers feeding them to their livestock. He should go back to 1971 and see what people did with eggs then.

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GRAIN

REQUEST FOR ASSURANCE GRAIN IS MOVING FROM THE LAKEHEAD—AMOUNT OF DEMURRAGE CHARGES

Mr. Eldon M. Woolliams (Calgary North): I should like to direct my question either to the Minister of Labour or the Minister of Transport. A report in the October 5 issue

of the *Financial Post* shows that 145 ships have waited for more than six weeks to be loaded with wheat, 75 million bushels of which are piled up at Thunder Bay contained in 4,000 railway cars. Can we be sure that at least grain from that port is moving at this time?

Hon. Jean Marchand (Minister of Transport): I think the hon. gentleman knows that there has been a strike in the great lakes area. I should like to know if he has a solution to that, other than getting the parties together and settling it.

Mr. Woolliams: Perhaps I misunderstood one of the ministers who spoke yesterday—that is quite easy sometimes—but is the strike at Thunder Bay and in the St. Lawrence area over and is the grain moving? One minister says it is not moving and he cannot do anything about it, he is paralysed, and the other minister says he is not paralysed and things are going ahead. Surely, we can get an answer.

Hon. John C. Munro (Minister of Labour): Grain is moving out of Port Arthur.

Mr. Woolliams: I should like to ask one more question. When the bill is introduced on Monday, will the Minister of Labour presenting the bill be prepared to tell us how much the demurrage charges to the western farmers amount to because of the strikes which were allowed to drag on as a result of the paralysis of this government.

Mr. Munro: Without indicating any agreement with the excessive comment of the hon. member with respect to this matter, it seems that he wishes to discuss the bill next Monday. Perhaps he has come to a conclusion before the start of the discussions. I can certainly advise the hon. member that we are trying to get this whole grain matter resolved as quickly as possible.

* * *

● (1200)

MANPOWER

WINTER WORKS PROGRAM—POSSIBLE INCREASE IN ALLOCATIONS FOR BRITISH COLUMBIA AND QUEBEC IN VIEW OF UNEMPLOYMENT IN LUMBER INDUSTRY

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the unemployment in the lumber industry, particularly in British Columbia and Quebec with 11,000 workers laid off in British Columbia and 9,000 in Quebec, and in view of the depressed state of that market, will the Prime Minister advise if his government is considering increasing the allocation for the winter works capital fund this winter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, any announcement we make in that regard will be made to the House.

HOUSING

REQUEST FOR REDUCTION OF MORTGAGE INTEREST RATE TO STIMULATE CONSTRUCTION AND INCREASE EMPLOYMENT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my supplementary question is for the Minister of State for Urban Affairs but I do not see him. Is the parliamentary secretary for the minister present? Anybody present? I will direct my question to the parliamentary secretary. In view of the fact that this depression in the lumber industry has been exacerbated by the state of the housing market where most of the domestic consumption of lumber takes place, will the parliamentary secretary advise if the interest rates being charged by Central Mortgage and Housing will now come down so that we can increase construction of houses in this country and get some of those people who have been laid off, back to work?

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I will take the question of the hon. member as notice.

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PUBLIC WORKS

SUGGESTED IMPROVEMENT OF WHARVES AND RETAINING WALLS ALONG ST. LAWRENCE TO PREVENT EROSION

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to direct a question to the Minister of Public Works.

I have no doubt that he feels concern over the problems of the riparian dwellers of the St. Lawrence River who see their properties worn away by erosion. Will the minister soon introduce amendments to modernize the eligibility standards thus allowing his department to intervene financially with a view to protecting properties on both shores of the St. Lawrence, building retaining walls and modernizing present wharves?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I shall be pleased to consider the suggestion and act accordingly.

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[*English*]

LABOUR CONDITIONS

REFERENCE TO ALLEGED STATEMENT BY DEPUTY MINISTER CONCERNING RATIFICATION OF WAGE CONTRACT SETTLEMENTS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the hon. Minister of Labour. According to recent reports the assistant deputy minister of labour, Mr. William Kelley, in a speech to the Canadian Chamber of Commerce is supposed to have suggested that wage contract settlements should be concluded without final ratification by union membership. May I ask the minister if this is now government policy or is it going to be government policy and if not, would he take steps to have these nonsensical statements cease immediately?

Hon John C. Munro (Minister of Labour): Mr. Speaker, I believe the hon. member's conclusion would indicate that he did not read the speech in detail. If he would like to read it I will send it to him.

Mr. Muir: Mr. Speaker, a supplementary question for the minister and I wish to thank him for his reply. I will be glad to have a copy of the speech; however, all the newspapers cannot be wrong. May I ask if the assistant minister of labour was being used by the minister or the government to fly a kite?

Mr. Munro (Hamilton East): No, Mr. Speaker.

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AGRICULTURE

REQUEST FOR PROGRESS REPORT ON RE-ESTABLISHMENT OF SUGAR BEET INDUSTRY

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of Agriculture and is prompted by the recent report of the Food Prices Review Board from which I should like to quote one short statement: "The sugar situation is anything but encouraging." That is in the September report, Mr. Speaker. May I ask the minister, first, if he is in a position to present to this House his national sugar policy and second, what progress has he made on fulfilling his commitment to re-establish the sugar beet industry in southwestern Ontario?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if the sugar beet industry had been re-established a year ago or even two years ago, I am sure the hon. member would agree that it would probably have paid for itself several times in view of the over 300 per cent increase in sugar price to which the consumers of Canada have been subjected to. We only supply 10 per cent or 11 per cent of our normal consumption of sugar from our own production. We are continually working on advancing a sugar policy and I am sure the hon. member realizes that this has international complications which have to be worked out. However, we are still working on it and as soon as possible I will be submitting a paper to my colleagues.

* * *

NATIONAL DEFENCE

BASE FOR OVERHAUL AND REPAIR OF BOEING 707's AT WINNIPEG—DATE OF OPENING—SOURCE OF FUNDS FOR ESTABLISHMENT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Defence. Can the minister inform the House when the first of the military Boeing 707's is to receive the 10,000 hour overhaul at the Winnipeg air base?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the commitment to have the 707's repaired in Winnipeg is being implemented and the personnel are being trained. I cannot give the date, but it will be early in 1975.

Mr. McKenzie: A supplementary, Mr. Speaker. Are funds from the DND budget to be used to establish and tool a Boeing overhaul base for CAE, and is there difficulty at the present time in securing the necessary funds?

Mr. Richardson: Mr. Speaker, funds will be provided by the federal government, probably through the Department of Industry, Trade and Commerce. There may also be some assistance from National Defence because this is an undertaking of the government to help build a Boeing overhaul facility in Winnipeg.

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HARBOURS

MARINA ON SAANICHTON BAY—REASON FOR SUSPENSION OF DEVELOPMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have had some difficulty deciding to whom I should address my question and perhaps you can help me. The Minister of State (Fisheries) or the Minister of Indian Affairs and Northern Development might be able to answer because the question involves a marina on Saanichton Bay on an island near an Indian reserve. I believe the Minister of Fisheries is responsible for the marina policy. I should like to know from either minister if they would be prepared to tell the House what action either department took in having development of the marina suspended?

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I confess I have been cramming on every possible subject in expectation of a question, but that one escaped me. I will take this as notice and give the hon. gentleman an answer.

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SPORTS

MONTREAL OLYMPICS, 1976—GOVERNMENT SUPPORT FOR FINANCING IN VIEW OF FAILURE TO CALL PUBLIC TENDERS

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the right hon. the Prime Minister. In view of the fact that the city of Montreal voted itself the unprecedented right to spend Olympic funds without public tenders, could the Prime Minister advise this House if the government is going to continue to support the financing program for the Olympic games as authorized by Bill C-196 without first demanding public tenders on all Olympic expenditures as has been the case in all other Olympics and if so, could the Prime Minister justify that support?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the bill to which the hon. member refers was adopted with the support of all parties in the House. The bill is being applied. As to the particular jurisdiction of

the city of Montreal, that city does not operate under federal jurisdiction, Mr. Speaker.

Mr. Jelinek: A supplementary question, Mr. Speaker. I was asking about the public tender part of the spending since the federal government is responsible for the whole financial program. May I ask if the Prime Minister intends to demand that public tenders be sought by the city of Montreal if this House is going to continue to support the program.

Mr. Trudeau: Mr. Speaker, the hon. member is misinformed. The federal government is not responsible for the overall financing of the games.

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FISHERIES

MINISTER'S VIEW ON UNILATERAL ACTION TO ESTABLISH LIMIT OF TERRITORIAL WATERS—MEASURES TO INTERCEPT FOREIGN VESSELS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of State (Fisheries). Following yesterday's exchange on Canada's position of extending its fishing limits, would the minister indicate if he supports the position of his predecessor, the Hon. Jack Davis, who repeatedly stated that if Canada did not succeed in getting acceptance of the continental shelf limit at the Law of the Sea Conference he would recommend unilateral action on Canada's part? Would the minister report if he has recommended to cabinet that Canada take such action?

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, of course I share my predecessor's view on this. This is a very serious matter.

● (1210)

I do not share the hon. member's view that the conference failed. I believe there is still some important and difficult work to be done, and I am very hopeful about the extension of our fisheries jurisdiction. There has been extraordinary progress. Over 100 nations seem to have accepted this view. I remind hon. members that even unilateral action will not protect an important source of wealth in this country, salmon. We must be very careful when we assume that unilateral action would solve all our problems.

Mr. Marshall: A supplementary question, Mr. Speaker. I also hope that the conference will eventually succeed. In the meantime, while our fishing industry is deteriorating to the point of obliteration, is the minister consulting with the Minister of National Defence, to step up our capability for intercepting and observing foreign vessels which still come within our 12-mile limit, let alone our 3-mile limit.

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, we are engaged in constant talks with the Department of National Defence. I wish to underline the extraordinary useful role which it plays. I am thinking of the sort of case which was mentioned yesterday regarding the destruction of lobster gear on the east coast. I think that the defence department, considering the funds available, has been extremely helpful. We are working closely with it and will continue to do so.

* * *

MANPOWER

ALLEGATION MONTREAL OFFICE ISSUING BOGUS WORK PERMITS—REQUEST FOR FULL DISCLOSURE OF RESULTS OF INVESTIGATION

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct my question to the Minister of Manpower and Immigration. In view of the allegations made respecting the Montreal Canada Manpower office, allegations which centre on the issuing of bogus work permits, will the minister make full disclosure of this matter which is presently under investigation in the same way as the Minister of Transport said he would make disclosure some time ago. As the minister's department is investigating its own affairs, in order to remove any doubt, will he undertake to make full disclosure once the probe has been completed?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, from time to time allegations of this nature arise and are made, and the only responsible course, before making a decision, is to see whether they are based on fact. Right now a preliminary investigation is being conducted by people in whose objectivity I have total faith. There will not be any cover up in that probe. If there is a prima facie case indicating irregularities, we shall proceed to a more formal investigation. The result flowing from that will be this: we shall want to make sure that this is not done again. I would tend to be prepared to disclose totally what this investigation will bring forward, but I want the opportunity of seeing it myself. I do not want to see people maligned. I hope hon. members will share that view. I do not want them maligned, for obvious reasons, namely, that some of these allegations may not be based on any foundation.

Mr. Epp: A supplementary question, Mr. Speaker. I thank the minister for his answer. Can the minister say whether any employees of the Montreal office have been either dismissed or suspended because of the probe now taking place?

Mr. Andras: Mr. Speaker, the preliminary investigation is underway. I think that speaking in detail about the investigation before I have received a report on it would be premature.

POSSIBLE CHANGE IN REGULATIONS COVERING ISSUANCE OF WORK PERMITS

Mr. John Gilbert (Broadview): A supplementary question, Mr. Speaker. Does the minister intend to change the regulations with regard to the issuance of work permits so that they may be issued in the country of origin rather than in Canada?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, to the best of my knowledge

that matter is not, in those precise terms, under consideration.

Mr. Speaker: Orders of the day.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Thursday, October 3, consideration of the motion of Mr. Louis Duclos for an address to His Excellency the Administrator of the Government of Canada in reply to his speech at the opening of the session, and the amendment thereto of Mr. Stanfield (p. 42).

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my first words are directed to you. I thank you for the consideration you have shown us so far, express my personal confidence in your ability, integrity and fairness, and look forward, as I am sure other hon. members do, to your presiding over this thirtieth parliament. May I also say, for the record, that it is always pleasant to see former colleagues returned to this chamber and to meet new members. I note particularly that all those who came to this chamber after the by-elections of 1971 have been returned. Perhaps now that we have been involved in three elections in a little over three years, we can settle down and concentrate on our parliamentary duties, secure in our new and longer tenure of office.

Before dealing with transportation, may I congratulate the Minister of State (Mr. LeBlanc) responsible for fisheries on his new appointment. We in Atlantic Canada recognize the importance of his portfolio, which will place great strain upon him. If he does not produce results, if conditions do not improve for the fishing industry in Atlantic Canada, he will run into difficulty in four years or whenever the next election is called. As time goes by, I hope his ministry will gain more status. It should not be subordinate to or associated with any other ministry. At present it is connected closely with the Department of the Environment. In some ways that may be desirable. Still, let us keep in mind the importance of our marine resources. This is why I suggest that the status of the minister's portfolio should be upgraded and I hope it will be.

May I say a word about regional economic development, a subject which has interested me since I was first elected. I hope the Minister of Regional Economic Expansion (Mr. Jamieson) will initiate programs, perhaps in conjunction with the Minister of Energy, Mines and Resources (Mr. Macdonald) or the Minister of Industry, Trade and Commerce (Mr. Gillespie), for developing further the coal industry of eastern Canada. Such development is necessary, keeping in mind the increased price of fuels, including fossil fuel, in this country. The minister might consider what has happened to Devco. Let him take advantage of the expertise of this Crown corporation, learn from its mistakes and apply his knowledge to other parts of eastern Canada.

This country is blessed with great resources and a variety of talent. We have our folk heroes, entertainers and other performers. Sometimes I think we could include the Minister of Transport (Mr. Marchand) in their number. Recently, I understand, he saw himself portrayed in a play which depicted many of the things which happened to him before he was elected to this House. When I think of the minister I think of another great Canadian performer, Gordon Lightfoot, who sings a popular song which may have been dedicated to the minister. It is entitled "The Canadian Railroad Trilogy" and begins something like this, "There was a time in this great land when the railroads did not run." In recent times it has been my impression that history is repeating itself. The Minister of Transport spoke extensively in this debate about the railways. I am glad that for the moment he does not want to create a corporation which will take over rail passenger transportation in this country. He wants to give the railways a chance to co-operate with the government and address themselves to the difficult problem of passenger transportation. I commend the minister on that position and wish him well.

It is incumbent upon the minister, in working out any new policy affecting transportation, to establish guidelines which will affect the Canadian Transport Commission and its influence on the minister in the discharge of his responsibilities. The minister has said he will be bringing forward new legislation in this field. I welcome this, but I think it is worth reminding hon. members of the House that this is not the first time a minister of transport has made a specific commitment to change the legislative intent and effect of transportation in this country. I refer to page 808 of *Hansard* for March 14, 1972, when the then minister of transport said:

● (1220)

I agree with the claim that a reorganized structure is necessary in order that member and the country generally can obtain more information, and obtain it more easily, about all aspects of transportation.

That passage has a familiar ring.

With this objective in mind, I propose to bring before the House in the next session three important pieces of legislation on which work is proceeding at the present time. The first of those is a bill designed to reconstitute Air Canada as a separate Crown corporation, thus divorcing it, as it were, from the CNR. I will also introduce a Canadian National Railways revision act and a companion piece of legislation covering amendments to the Railway Act. Hon. members will know how involved and far reaching these changes are; they have been asking for them for the last two or three years.

When one considers the record in this respect it tends to make one a little cynical. I hope the present Minister of Transport will now address himself to the need which has been expressed in this chamber so many times by so many members.

Some hon. Members: Hear, hear!

Mr. MacKay: I also hope—this is very timely in view of questions asked this morning—that the minister will do something else that has been urged by many members, particularly by the hon. member for Dartmouth-Halifax East (Mr. Forrestall), that is, set up a truly independent accident investigation body which will clear the air for all time of the well-founded suspicion that sometimes the Department of Transport is investigating itself. This type of thinking should be done away with and such a commission of investigation established.

Yesterday the Minister of Transport was so well informed and clairvoyant that he was able to say, even

before I put a question to him about STOL, that Mr. Sinclair was wrong. The minister stated unequivocally that Mr. Sinclair was wrong, but left it at that. Despite his statement that he would disclose information, he would not indicate in what respects or by how much Mr. Sinclair was wrong. The fact is that there appears to be a discrepancy in the calculations on the cost of the STOL program, a discrepancy of approximately $130 million between the calculations of the government and certain private interests.

Considering the magnitude of this discrepancy, the government ought to clarify these matters immediately and specifically, particularly when the passenger train subsidy for the whole of Canada in a fiscal year is approximately $140 million. It also appears that the past president of Canadian National Railways, Mr. MacMillan, had very serious doubts about the cost efficiency of this STOL program and whether it was in fact the best way to move passengers between large cities. Mr. Sinclair of CP stated that his calculations were based on, among other things, the cost of construction of airports, pilot training facilities, six Twin Otter Aircraft purchased, the construction of access routes to the airports, and navigational systems installed, all of which appear to be a reasonable basis for his calculations.

As a last word on this subject, I did a little checking. It appears the cost of one-way flight by STOL from Ottawa to Montreal is $20. When travelling by Air Canada, our large modern air carrier, or CP air—that bastion of private enterprise—it costs $13 on Saturdays and Sundays, and $18 on week days. So STOL is expensive. I have reason to believe a great deal of the passenger traffic flying between the STOL ports in Ottawa and Montreal is made up of cabinet ministers, colleagues and civil servants. It appears that the STOL program is being used extensively by government employees, at government expense. It is being subsidized with civil servants. I wonder if that is the purpose for which STOL was established. I leave that point for hon. members to consider.

I wish now to say a few words on a topic respecting which I recently addressed a question to the minister. I will not touch upon it in any great detail because it is to some extent sub judice. It involves an inquiry presided over by Mr. Bruno Desjardins, a Montreal barrister whom I understand has some nautical experience. The inquiry concerns the action of the Laurentian Pilotage Authority which, pursuant to subsection 14(3) of the Pilotage Act, decided to make an amendment to the Laurentian Pilotage Authority's regulations. Pursuant to this course of action, notice of which was published in the May 18 issue of the Canada *Gazette*, the Minister of Transport very properly commissioned an inquiry under Mr. Desjardins.

Although I do not want to prejudge the situation in any way, I wish to put on record some reservations about the terms of reference of this inquiry. They seem to be a little unusual, at least according to the traditional concepts of natural justice. Some of the conditions are as follows:

The investigation shall be conducted in as thorough and complete a manner as the circumstances of the case require.

That is good. The next one reads:

The investigation shall not be subject to the customary rules of evidence nor need evidence be taken under oath.

I object to that very strongly.

The investigation shall not be conducted by means of public hearings but, on the contrary, through the investigation and examination of those persons whom the said investigator deems possessed of evidence relevant to the subject matter and whose evidence should be examined in the public interest.

This provision prevents one party knowing what the other's position is and having the right of rebuttal. As far as I am concerned, the only issue in the Laurentian Pilotage matter is whether this change, which disrupts long standing procedure, is in the interests of safety and effeciency and whether it is good for shipping in that particular region of the country. I do not think it is helpful to bring in questions involving language or other social consideration. Because I have noticed in the French press words which indicate that I may be against bilingualism, I want to put on record the fact that I am very concerned that any unilingual Canadian may be deprived of earning his livelihood by reason of language qualifications, unless there are very unusual circumstances which can be justified as being of national importance such as our transportation system being improved, safety reasons, or things of that nature. Any other considerations which are regressive and counterproductive of this very worth while bilingualism program may be interpreted as being in the selfish interests of a particular group.

In his speech yesterday the minister said there will be more disclosure. I think he was referring specifically to the railways when he said that. If he is serious—and I hope he is—he should begin by permitting the Auditor General, or some other independent person of his stature, to look at some of the Crown corporations and public utilities generally whose accounts are not examined. For example, there is Air Canada, the Bank of Canada, Canadian National Railways, Canadian National Railways Securities Trust, the Canadian Wheat Board, the Cape Breton Development Corporation, Central Mortgage and Housing Corporation, and the Industrial Development Bank. It would be very useful if someone of the stature of the Auditor General took an independent look at the internal financial procedures of these Crown corporations.

● (1230)

Also, as we discovered in the Standing Committee on Transport and Communications, it is not permitted to ask, as I did when checking on the qualifications of some of the directors of Air Canada and the CN, questions relating to their tenure of office, their salaries, by whom they were appointed, their specific responsibilities, and so on. Questions of this kind are not permitted and need not be answered. However, I believe there is no reason the public of Canada should not be told a little more about the executives who run their Crown corporations.

There is another matter which concerns me—an issue which has to some extent been neglected or perhaps even forgotten. It concerns the well-being of thousands of people in this country. What is the real status of insurance policies covering air passengers in Canada? Are these passengers as well protected as they believe themselves to be when they board aircraft operated by one of our national carriers? When one looks into the details of some of these insurance cases, one cannot avoid speculating on the trouble and difficulty to which bereaved people have been

put when they have tried to collect the benefits which they believed would be paid to them as a matter of course.

Again, in the standing committee I tried to learn a little more about the particulars of this type of insurance, but I did not make much progress in my questioning of Mr. Pratte on this subject; and I do not blame him because I realize he was not prepared to give me this type of information. However, I asked him the following question specifically:

> From the point of view of the travelling public and for their information, is it fair to say that the amount of insurance, whatever it is, is not necessarily theirs, or their estate's, as a matter of right, and each individual case must be looked at? In other words, if a person's status is such that he has no dependants, or that he is no great loss in the eyes of the law because he has no young children, or no widow, or he is an old man, a young person, or what have you, it does not necessarily follow that they get that courage. And they have to prove it in each case.

I have the view that the airlines have introduced a class or type of coverage which places the onus of proof on the bereaved family. The legal expenses and other complications involved in this procedure involving burden of proof make the insurance coverage of far less benefit than is generally believed by those covered by these policies. Mr. Pratte said to me at the time:

> I am sorry. I should know the answer but I do not. I will provide you with the information.

Again, I do not wish to be unfair to Mr. Pratte, for whom I have great regard, but I have not yet received that information. When I asked him a little later about the insurance payment which Air Canada was due to receive after an incident in Toronto in which one of the planes was burnt because of a fuel spillage, Mr. Pratte informed me that the corporation had already been paid. He mentioned that payment had been made within 48 hours, or something like that, and another Air Canada witness, Mr. Cochrane I think it was, said, "Yes, 24 hours."

I commend Air Canada for having taken out coverage of that type for their aircraft, but I should like the Minister of Transport to find out whether he can obtain similar protection for the people who use Air Canada aircraft and for those who use aircraft generally in this country. I do not wish to leave the impression that I am questioning everything the Minister of Transport proposes to bring before us. That is not the case. I do not know the Minister of Transport especially well, but I have great respect for his ability and I think he definitely has the capacity to do great things for Canadian transportation. However, this remains to be proved, just as the Speech from the Throne remains to be proved. It reads well. It is full of platitudes and good wishes, and it is difficult to criticize good wishes.

Those less kind than I might describe the Speech from the Throne as a manifestation of one of the greatest political con jobs in this country, but I do not think that type of comment is necessary at this time. As the session progresses, though, if we are not presented with a solid legislative program and a definite commitment on the part of the government to implement some of its policies, no one will be able to criticize members on this side for making that type of comment. By the same token, without wishing to exaggerate the importance of the matter, and in the interest of harmony in this place, I should like to say a few words about a remark made yesterday by the hon. member for Vaudreuil (Mr. Herbert) concerning my right hon. friend from Prince Albert.

I do not have *Hansard* before me, and I do not wish to misquote the hon. member, but it seems to me he said yesterday that my right hon. friend, our former prime minister, did not say very much in the course of his speech. That may, of course, be his opinion, but it is not shared by many. What bothered me was the fact that he went on to say something like this, "When he leaves this place we shall probably save about four days every session." I hope the hon. member for Vaudreuil will not be insulted if I say that when members like he and I leave this place, it is probable that not many people will take account of our going, or perhaps notice, but when the right hon. member for Prince Albert (Mr. Diefenbaker) leaves this place it will be an occasion for mourning and great sadness across the nation.

Some hon. Members: Hear, hear!

Mr. MacKay: I shall be very surprised if in the next generation Canada is fortunate enough to have a parliamentarian of his ability, his spirit and his devotion to Canada. I urge the hon. member for Vaudreuil to clarify his remarks, because I thought they were unkind, uncouth and uncalled for.

Mr. Lambert (Edmonton West): Cheap.

Mr. MacKay: While we are talking about possible reforms in this place in the context of the Speech from the Throne I would urge the government, the Commissioners of Internal Economy and all those who have anything to do with providing facilities for members of parliament and for others, to take a look at the type of benefits and facilities which are made available to former prime ministers. Former prime ministers are a rare breed and they have usually devoted the whole of their lives to the service of their country. It seems to me, therefore, it is time we determined whether they have received sufficient recognition when eventually they cease their work in parliament.

The hon. member for Hamilton West (Mr. Alexander) just mentioned the Prime Minister (Mr. Trudeau). I would remind hon. members opposite that some day they may be in a similar position to the one in which I find myself today, making a request for some increased respect and recognition in the case of a man who presumably—

Mr. MacFarlane: You must expect him to live as long as Diefenbaker.

Mr. MacKay: Well, I would not want to go on record as saying he should live any shorter life than the right hon. gentleman from Prince Albert. It seems to me that if the government were really sincere about making parliament a better place in which to serve Canada, they should not be too quick to bring forward ill-conceived reforms. Those which have been brought in since the present Prime Minister took office have not, I think, worked out as well as some had hoped. There was an editorial in the *Globe and Mail* today suggesting that perhaps the government should start at home, as it were, by instructing ministers of the Crown to be a little more honest and forthright in their

answers to questions. I think that would go a long way toward expediting business through this chamber.

● (1240)

I suggest that when the government does make up its mind that it is concerned about matters of practical significance to this country, such as labour-management relations and making productivity as important a factor in labour-management negotiations as it is possible to do so under the circumstances, and makes an earnest effort to deal with the economic problems besetting this country, instead of concerning itself with esoteric affairs like constitutional reform and questions of that type—important though they may be under some circumstances—then the country will be much better off and there will be much less dissatisfaction on the part of the Canadian public with the performance of the government and members of parliament generally.

I urge the government, through you, Mr. Speaker, to devote its main thrust to finding practical solutions to the problems besetting this nation. If the government does this and demonstrates that it is doing it in good faith, it will certainly have no difficulty obtaining support and co-operation from members like myself in the official opposition.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, first of all I should like to extend to His Excellency the Governor General our best wishes for a prompt recovery. I am convinced that we are all anxious to see him soon resume his official duties.

I should also like to congratulate you, Sir, on your appointment as Speaker. I am sure your wisdom, your parliamentary experience and your great integrity are guarantees of success in the task you are undertaking.

In addition, I should like to take this opportunity to congratulate two new hon. members in this House, the hon. members for Montmorency (Mr. Duclos) and for Vancouver East (Mr. Lee) who, although newcomers, acted with considerable self-possession, self-assurance and even with dash as mover and seconder respectively of the Address in reply to the Speech from the Throne.

Mr. Speaker, one cannot come back to the House and speak for the first time without pointing out the extremely important event that occurred last July. I am referring, of course, to the Canadian election which brought the government of the right hon. Prime Minister (Mr. Trudeau) back to power with a majority in the House of Commons.

It is normal that, following a general election, many comments be heard here and there which are often original in their treatment but generally lacking in their inner meaning. I am referring especially to the remarks made shortly after the election by Mr. Marcel Léger, a PQ member in the Quebec National Assembly, who tried to question the mandate of the Quebec federal deputation. His remarks clearly were aimed at trying to correct a situation he did not like and to infer that Quebecers had not really given a clear and precise mandate to the Quebec hon. members in this House.

It is often easy to draw conclusions from statistics by isolating them or by completely disregarding certain factors. Mr. Léger was right when he claimed that the level of absenteism was higher during the last federal election in Quebec than during the 1972 election. But there is something that is very important and that he overlooked and it is the fact that the rate of absenteism in Quebec has remained nearly the same as during previous elections. It holds true nevertheless that federal Liberals have obtained more votes in 1974 than in 1972, that is, a little over 1.3 million votes compared with 1.2 million in 1972. This fully demonstrates, in my opinion, that Quebecers very clearly and positively support their federal representatives in this House.

And this in spite of the fact that the Parti québécois urged people to spoil their ballots. Rejected ballots in Quebec decreased to 133,475 in 1974 from 165,000 in 1972. Moreover, it does not follow that all rejected ballots were the direct result of urgings by the Parti Québécois because, as is well known, there are many reasons for rejecting a ballot.

● (1250)

In the final analysis, Mr. Speaker, the representation of federal Liberal members from Quebec cannot be questioned. I am convinced that members on this side of the House, Social Crediters, or even the three Conservatives who were elected, nobody here would want to trade their majority with that of the few Parti Québécois members at the Quebec National Assembly. In the final analysis, Mr. Speaker, particularly after the speech made by the Prime Minister in the House this week, there can be no lingering doubt about the role that federal Liberal members from Quebec intend to play in Parliament in Ottawa, and that will certainly not please Mr. Léger and his few separatists. I think that any well meaning French Canadian happy to live in this beautiful and large country that is Canada could only be happy at the words spoken by the Prime Minister who said and I quote:

> Mr. Speaker, I will give a straight answer ... the government maintains strongly as ever its official language policy and will pursue with renewed vigour the basic goal it set for itself when it came into power in 1968, namely to make it possible for all Canadians throughout Canada to deal with their federal government in the official language of their choice.

Mr. Speaker, that is basically the government option, the option taken by all federal Liberal members in the Canadian Parliament. I watched members of this House after the Prime Minister's remarks, and noticed that all Social Crediters applauded. The hon. member for Joliette (Mr. LaSalle) also applauded but I could not believe my eyes when the hon. member for Saint-Hyacinthe (Mr. Wagner) was unable to react and applaud such remarks. I cannot conceive or understand this unless his mind was on something else, on some futurist and far-away dreams. He was probably lost in the clouds. However, I can say that since the hon. member's election to this House, we have witnessed an extraordinary change and we no longer recognize him. From the "Red Menace" that he was, he has now become the "Blue Angel". I believe that the hon. member for Saint-Hyacinthe should agree completely with the remarks of the Prime Minister. I think that the hon.

member for Saint-Hyacinthe must have a very well-defined position on this matter.

I dare believe that he was thinking about something else when the Prime Minister was talking about what is most important, most basic for any member from Quebec who wants to promote national unity in this country. I was very happy, Mr. Speaker, about several aspects of the Speech from the Throne. First, it gives a significant role to the Department of Consumer and Corporate Affairs during the next few months, during this session. The Speech from the Throne meets squarely a serious and weighty problem which now faces Canada, the problem of inflation. The Speech from the Throne and the remarks of the Prime Minister show that the government, in cooperation with all members of parliament, clearly intend to amend and improve parliamentary procedure so that bills may be passed more easily, which would enable us to act much more quickly to bring in the legislation required to govern this nation ably. I would be remiss if I did not express first of all what I feel about taking over my new responsibility as Minister of Consumer and Corporate Affairs.

I intend to speak not only in the House but also in the public forum with all possible strength, determination and haste in favour of the Canadian consumers.

Some will say that it is practically impossible for a minister to be at the same time the minister responsible for both Consumer Affairs and Corporate Affairs. I should like to correct immediately any misunderstanding about that view.

It is clear that such a statement shows a lack of understanding of the kind and scope of responsibilities coming under the jurisdiction of my department.

In a way, the Bureau of Corporate Affairs is not the spokesman for a client which would be the businessman. It is rather an organization responsible for the orderly conduct of business in Canada in the field of corporations, bankruptcies and investment markets. While seeing that the law is complied with in those fields and while developing projects to update the legislation, the Bureau is acting in the interests of the public, the shareholders, the creditors and debtors. I can see no conflict whatsoever as regards my responsibility towards the consumers.

Needless to say, the same can be said of the competition policy office for the application of the Combines investigation Act, striving for free and effective competition on the marketplace. I see this as the best way of protecting the interests of the consumer. I am convinced that the distribution and redistribution of resources according to the needs and fancies of the consumers can best be achieved by not restricting the dynamics of our current market system.

I think that an effective market based on freedom and common knowledge on the part of both consumers and producers is the best guarantee that the needs of consumers are met.

My department is thought to be the department of consumers, and that is good. But it could also be referred to as the department of the law of economics or of free trade. These are two different ways of describing one desirable reality which we all seek.

[Mr. Ouellet.]

I will now take the liberty of drawing a parallel regarding the role of my department on what is justly considered the most serious problem facing this country, I mean inflation.

We are not on the forefront of the fight against inflation. Within the federal government, that responsibility lies with my hon. colleague the Minister of Finance (Mr. Turner), the main advisor on the effects of handling various areas of macro-economic policy.

The Department of Consumer and Corporate Affairs however, often viewed as the ministry of micro-economics, has an important support role. I can assure you, Mr. Speaker, that my department will actively pursue that role within the government's overall commitment to fight the causes and effects of inflation. And I will see to it, within my responsibilities as Minister of Consumer and Corporate Affairs, that such complementary effort is made in order that within the framework of overall measures taken by the Canadian government, inflation may be more efficiently tackled.

Mr. Speaker, in order to overcome inflation every sector in our society will have to exercise restraint. The government undertakes to establish limits and priorities in its own spending. It invites all the other levels of government to do likewise. It is also imperative that industry as well as unions attempt to co-ordinate their respective requirements in order to insure good balance in salaries, prices and profits.

Consumers can also do their share by shopping wisely and by taking measures to conserve certain commodities such as oil and gas which are in limited supply.

In the fight against inflation, the government has three objectives which I support thoroughly. I shall be able to say more about them at two o'clock, Mr. Speaker.

[*English*]

At one o'clock the House took recess.

[*Translation*]

AFTER RECESS

The House resumed at 2 p.m.

Mr. Ouellet: Mr. Speaker, when I was interrupted at one o'clock, I was saying that in its fight against inflation, the government is aiming at three objectives: to increase the supply of goods and services, to protect those who are badly hit by inflation and finally to take the necessary steps to discourage unreasonable increases in incomes, prices and profits.

It is clear that the Department of Consumer and Corporate Affairs can do something there. Our main programs that can help to fight inflation are those related to the Competition Act and those designed to assist consumers.

As you know, Mr. Speaker, the government intends to overhaul completely the Combines Investigation Act through a legislative procedure divided in two stages, because it is obvious that the present legislation is not an entirely effective tool in 1974. I tabled Bill C-2 last Wednesday. It is the fourth time that a minister has

introduced such a bill in the House. I think this legislation is long overdue. It is essential that it be given swift consideration and passage by hon. members, for it is greatly needed. Its goals are very simple. What we are trying to achieve by amending this act is firstly to encourage fair competition between companies and, secondly, to give consumers better protection against reprehensible trade practices. In fact, Mr. Speaker, those amendments to the restrictive trade practices legislation have already passed the first and second reading stage in the last session.

Since I have reintroduced this bill without any new amendment last Wednesday, I hope hon. members will co-operate and give this bill second reading as soon as possible so it may be referred to committee.

I have already announced, and I say it again to the House, that it is my intention to introduce as soon as possible at the committee stage important amendments that will further clarify the scope of the bill. I think that several briefs were submitted to the parliamentary committee during the last session. Those were useful briefs that will be considered, but I want to say again and again very clearly that some action is required in this area, for the Canadian public is increasingly suspicious, for good reason perhaps, of the mechanics of competition in this economic world where big corporations sometimes get, in the mind of the public, too big a piece of the cake.

And I think that if nothing is done, we may slowly lose our free enterprise system as we know it, through our own inaction, because the public will expect more direct action from governments. When seen in its true light, the right of competition therefore is not government intervention in the field of industry and business but rather a safeguard against such action.

Mr. Speaker, while I must insist on the importance of bringing the legislation on competition up to date, I would not want to leave the impression that this act is now being administered inefficiently. We know that the director, under the law, must initiate inquiries when he has reason to believe that the law has been broken. Few of these inquiries are known to the public, because their confidential nature must be ensured. In a way, I regret it because the public would be able to see that in the Consumer and Corporate Affairs Department there are people working to protect their interests.

Without giving too many details on these inquiries, I can assure the House that many investigations are now under way and we are doing our best so that the Combines Investigation Act is respected. Some investigations, of course, are a better known to the public because there have been leaks and we are already in court. I am thinking of the investigations concerning oil and sugar. Mr. Speaker, three big sugar refineries were brought to court having been accused of conspiring to fix the price of sugar and to prevent free competition in this area. This case is now before the courts and, therefore, I cannot say much more about it. I regret it as there is much I would like to say. I think it essential that the investigation process, followed by the legal process, follow its course in Canada. If I have a wish, it is this one; that judges be more conscious of the importance, when it is appropriate and necessary, of handing down even stiffer sentences than in the past. I am happy that in many cases the judges have imposed exemplary fines.

In too many cases, however, the fines imposed were unfortunately not those I would have handed down had I been the judge. And I will go even further. In some cases in the United States, the courts did not hesitate to jail the directors or executives of some companies. If there are cases now in Canada which justify such sentences, I trust the authorities will have the courage to send to prison those who deserve it. I should like to deal briefly with some of the measures I intend to introduce to the House in the next few weeks, measures designed to ensure the consumer greater protection and more information. I intend to take several new steps in the field of consumer credit. I shall bring before the House a bill to amend section 6 of the Interest Act with a view to forcing lenders to specify clearly their true rate of interest and imposing a uniform base for the calculation of interest rates.

Secondly, still in the field of consumer credit, I intend to bring forward soon a bill to amend the Small Loans Act. Thirdly, I am contemplating a complete revision of the Interest Act, especially with a view to ensuring a uniform method of disclosure applicable to all lenders for the protection of borrowers.

I think it is essential that Canadians become more and more aware of my department as a useful instrument of protection and information to the consumer. To this end, we have set up regional offices in Halifax, Montreal, Toronto, Winnipeg and Vancouver. We also have district offices and we intend to open more in order to better serve the Canadian consumers. We shall also open several consumer storefront offices providing various community services especially to underprivileged consumers, such as low-income families, older people or new immigrants.

I think it is essential that we go ahead in this field to open about twenty of those consumer information services across the country during the present fiscal year. And that work will be done in co-operation with voluntary organizations that already exist in several cities in Canada.

Of course there will be budgetary limitations but as we will try to expand and improve our services as much as possible so they will be available to the consumers in the various areas of Canada.

Finally, non-profitable organizations, community services certainly already play an important role that we want to support. My department will try and give as many grants as possible to encourage them to continue to play their role to provide better protection for the consumer.

Time is running and I will soon have to conclude my remarks. I would also like to talk about an extremely important organization which has made the headlines in recent weeks, the Food Prices Review Board and its role.

However important all the steps I mentioned earlier to protect and inform consumers, as well as the instruments available to me to fulfill adequately my task as minister, I am fully aware that although I am well supported by the Canadian Consumer Council, the Consumer Research Council, voluntary groups, or the many pieces of legislation we intend to introduce in this House, a basic fact remains—Canadians are still greatly concerned about the question of price increases.

So it is extremely important that we deal efficiently with the rate of inflation. And to do that we need to know better the reasons for price increases, and whether they are warranted. That is why I was happy to see in the Speech from the Throne that the terms of the Food Prices Review Board will be extended until the end of 1975.

I think that board plays a very significant role. I want to pay tribute here to the chairman of that board and its members for the impartial and consistent manner in which they conducted their surveys and for all the recommendations they made.

All we need to do is take a look at an article in this week's *Citizen* to find to what extent more adequate information given the public will directly influence Canadian firms that otherwise might be led to exaggerate and abuse the situation in this climate of steadily rising inflation, in order to unduly boost their prices. We have found surprising results following the publication of weekly bulletins by the Food Prices Review Board: food prices in the Ottawa area supermarkets have been lowered. Suddenly, people have come to realize this and I quote this article from the *Citizen* which states:

● (1410)

[*English*]

However, an IGA store on Tache Boulevard in Hull has managed to slash its price index by 9.8 per cent from last week.

This week's index indicates that most stores have again lowered prices marginally, a couple a good deal.

An hon. Member: For how long?

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

Mr. Ouellet: Yes, Mr. Speaker, at the end of my speech I will be delighted to answer a question.

[*Translation*]

Mr. Speaker, this proves that such a body can play an efficient and important role. I hope this investigation will not be limited to the Ottawa area only, but that it will be conducted throughout Canada, because I feel that the better informed consumers are and the more business and private enterprise people realize they are being watched, the better market and competition we shall have in Canada.

I wish to complete my remarks by saying that a great many measures remain to be adopted to better protect consumers. The Speech from the Throne dealt with reforms aimed at accelerating parliamentary proceedings. Notwithstanding these reforms, I urge all hon. members to co-operate closely with my department when it introduces measures during the next few months, because the better acts we have, the better protected Canadian consumers will be.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for St. John's East (Mr. McGrath) wishes to ask a question of the minister. The time of the minister has just expired, so the hon. member may ask a question only by unanimous consent. Is it agreed that the question be allowed?

Some hon. Members: Agreed.

[Mr. Ouellet.]

Mr. McGrath: Mr. Speaker, the minister did not refer to the need for consumer representation on marketing boards, notwithstanding the announcement made by his colleague the Minister of Agriculture (Mr. Whelan) yesterday. He did not refer, either, to the report of Professor Forbes which was commissioned by his department, although it was made to the Consumer Advisory Council. That report has been in his possession since May at the very latest. What recommendations has the minister made to his cabinet colleagues, and what steps has he taken to implement the major recommendations of that study?

[*Translation*]

Mr. Ouellet: Mr. Speaker, it is merely because I was too pressed for time that I was not able to deal with all the important subjects I wished to deal with today. I can say to the hon. member that I am extremely happy that the hon. Minister of Agriculture (Mr. Whelan) announced last evening, during his speech in this House, that there would be an important representation of consumers on the National Farm Products Marketing Council.

As a matter of fact, I had asked that consumers be represented. It seems there will be three new representatives of the general public on the marketing boards. I think that is of the utmost importance because one must never forget that it is essential, whatever the responsability of an organization may be, whether the agency controls the marketing of eggs or any other product, whenever an organization is granted almost absolute powers, it is essential, I repeat, for members of that body to be conscious of the public interest and to be more concerned with the interests of the general public than with those of a particular group, especially when an organization is being given almost absolute powers.

I believe that such a representation of the public, of consumers, of businessmen, of labour in that organization will take care of that situation and enable that body to be more accountable to the public.

As regards the last part of the question of the hon. member, concerning the Forbes report, I must say that I have just received it. I asked the Council that does research in the field of consumer affairs to let me have officially its views on that report. I know that the hon. member seems to have received a copy of it. I am told that he did indeed but that it is not on official copy. I will be pleased to make that report public sometime next week. The document will then be official and I will be in a position to talk about it in due course and at length, which is not the case this afternoon.

● (1420)

Mr. John Reynolds (Burnaby-Richmond-Delta): First of all, Mr. Speaker, I should like to congratulate you and to tell you, on behalf of my constituents in the Burnaby-Richmond-Delta riding, how pleased we are to see you and your deputies hold your respective parts.

[*English*]

Some hon. Members: More.

Mr. Reynolds: Mr. Speaker, members across the floor are asking me to speak more French. I am saving it for later. Next week I will begin taking French lessons. In

case hon. members opposite do not know this, I lived the first half of my life, the first 16 years, in Quebec. I am proud to say this. When I left that province I was bilingual. However, after living in British Columbia for 16 years I do not remember much of my French. We really do not have a second language in my province; we speak only one language. It will be a privilege to begin taking French lessons next week. I hope that within one year I will be able to stand in this House and deliver a speech in French.

Some hon. Members: Hear, hear!

Mr. Reynolds: It is a great attribute for one to speak two languages, be they French and English or, as one sees in Europe, French and German.

Mr. Paproski: Or Ukrainian.

Mr. Reynolds: Mr. Speaker, as you know, our deputy whip comes from Edmonton. My first two children were born in Edmonton, so I can understand why he wants to include Ukrainian. My riding of Burnaby-Richmond-Delta has the largest population of any riding in western Canada. I represent a large number of people of German descent. Ten per cent of the people of British Columbia are of German descent; they make up the largest minority group. The next largest group in my province consists of Dutch people. There are also large numbers of Chinese in Vancouver and in the rest of the province.

Language should not be an issue at election time, but that is one of the first things I shall talk about today because the subject came up more than once in my riding during the last election campaign—and not because I brought it up. This member supported bilingualism when first he was elected to this House in 1972. I think the previous sitting Liberal member was not as strongly in support of bilingualism as I was. In the last election campaign some things happened across the country which bothered me. Why did the Prime Minister (Mr. Trudeau) allow his advertising people to put up, in his own province, billboards which said "Monsieur Trudeau or Mr. Stanfield"? What kind of prime minister would allow that kind of advertisement in his own province when he expects us all in this country to support bilingualism? it should not have been allowed; the Prime Minister himself should not have allowed it to happen.

The Prime Minister came to my riding. As an aside, may I mention that the former parliamentary leader of the New Democratic Party came to my riding. He spoke on behalf of his party and tried to convince the people of my riding not to re-elect me. The Minister of National Health and Welfare (Mr. Lalonde) also came to my riding and was made welcome by the people, as was the minister responsible for DREE. The result was interesting. In 1972 I won about 34 per cent of the vote and squeaked in. In the last election I received 58 per cent of the vote and won with the largest majority. I hope the ministers come back to my riding in the next election. If they had visited a few more ridings in Ontario, they might have changed the results of the last election.

I want to talk about the Prime Minister coming to my riding and standing in a shopping centre in front of approximately 2,500 people. He came in his usual manner. I give credit to the Prime Minister. He is one of the greatest debaters Canada has ever had. He has charm, he has charisma. In the last election more people preferred to have him as Prime Minister. I accept that. I accepted his coming to my riding and telling people, "Ask where John Reynolds stands on wage and price controls." I supported my leader on that issue. I still do. I think such controls would be good for this country. Then he said, "Ask John Reynolds where he stands on bilingualism." The inference, according to a press report, was that I was not in favour of bilingualism and that I had not voted for it in this House. That was a low thing to do, a cheap shot for him to take. He should not have done it. I do not know why he would want to bring up that subject in western Canada. Bilingualism was not the issue in western Canada in the last election. The state of our economy was the issue, and leadership.

An hon. Member: May I ask a question?

Mr. Reynolds: If the hon. member will ask his question when I have finished, I will be glad to answer it. I was also bothered by the Saskatchewan Liberal Party displaying an advertisement which depicted chickens being burned. The ad said this was being done in the United States because of the price freeze. But the truth was that the chickens shown in the ad had been burned in Canada because they were diseased. I raise this matter because the Prime Minister's actions in the election with regard to the language issue made me mad. People in my riding said to me, "We did not think you had voted against the language bill; we thought you were in favour of bilingualism in Canada." I am. That is one program which we need in this country. If we are ever to solve the problem of bilingualism, the Prime Minister and all members of this House should convince the premiers of this country that we had better teach French in the nine provinces which do not teach French from kindergarten on.

Some hon. Members: Hear, hear!

Mr. Reynolds: Otherwise, we will never solve the problem of bilingualism in this country. We will not solve it by doing what we are now trying to do. We are trying to work from the top down, and it is not working. We have Quebec bringing in Bill 22, which has angered the people of British Columbia. We are doing our best in British Columbia to teach our children French. We do not think the people of Quebec should know only French, in a North American society of 250 million English-speaking people. In Quebec, English should be taught in French schools starting at kindergarten. As federal politicians, it is our responsibility to start at the bottom in this respect: let us start teaching French in the schools where such teaching belongs, so that in ten or 15 years the question of bilingualism will never again be raised in the House of Commons.

I have a few more things to say about British Columbia. This morning I asked the Minister of Transport (Mr. Marchand) why the British Columbia ferry system is not being subsidized by the federal government. The British Columbia ferry system is an extension of the Trans-Canada Highway. The Trans-Canada Highway Act says that the federal government will pay its fair share for the setting up of the Trans-Canada Highway and its maintenance. The minister said this was not being done because

such payment is made only where the highway system links two provinces. Mr. Speaker, the province of Ontario runs a ferry service on Lake Huron. The service is subsidized by the federal government.

For years, British Columbia has felt that it has paid more than its fair share to the Canadian economy. We are one of the "have" provinces and we do not mind paying more than our share. Also, we are the fastest-growing province. After arriving in British Columbia many of us do not like to leave, because the weather is better there than it is back east.

● (1430)

The Conservative and New Democratic Party members from the province of British Columbia had a meeting with the Premier of British Columbia a short two weeks ago. The Liberal members said they could not attend the first meeting. I will accept that. I am usually naive about these things. I hope they will come to the next meeting because the first one was very productive.

The premier provided us with figures which showed that Canadian National Railways is receiving great benefit from the federal treasury for its ferries. In 1973, CNR received $44.6 million to operate their ferries on the east coast of this country. British Columbia will lose $20 million in the operation of their ferry service this year. Much of that $20 million loss will be spent on servicing tourists coming into British Columbia. Tourism is our number one resource. The province fills up with tourists in the summer. Anyone who has been there and has tried to cross using the ferry system knows it takes a few hours to get to the island.

I keep raising the subject of the meeting the Conservative and NDP members had with the Premier of British Columbia. We feel the federal government should sit down with British Columbia to work out an agreement whereby the B.C. Trans-Canada Highway will really become part of the Trans-Canada Highway and be paid for by all the people of Canada.

Another topic discussed at that meeting with our premier, and quite an important one, involved the supertankers that will be coming down the west coast. All British Columbians are concerned about this. In the last session, all members of this House were concerned about it, because we passed a motion to tell the United States government we were concerned. The Premier of British Columbia sent a note to this government on March 13, 1973, with regard to a program called The Way Out. Everyone in my party does not necessarily agree with our premier that this is the best way to solve the supertanker problem, but it is certainly a way out over what we will have to put up with. At that meeting we were told the federal government had not replied to the premier's letter, and a follow-up letter was sent.

I think it is shameful that this government did not answer the provincial government on a matter as important as supertankers travelling down the coast of British Columbia. If I replied to letters from my constituents as fast as this government is replying to the province of British Columbia, I do not think I would have been re-elected.

[Mr. Reynolds.]

I think these two matters point out one of the problems we face in British Columbia. We are a rich province, a "have" province. We have great lakes, great oceans, great weather and great people who come from all across Canada. It seems the federal government knows it is great there. They feel this is one part of the country they really do not have to bother too much about because it is so well off. However, the people of my province are frustrated by some of the federal programs. This is obvious by the number of people they have returned to this House. Some Liberals feel there has been an increase. I am certainly happy to see these Liberals here, because my philosophy is opposed to socialism. Any time eight Liberals beat eight NDP members, it makes me happy. However, those eight federal Liberals may not have come here had it not been for the fact the NDP are doing so well in British Columbia.

I want to talk a little about the British Columbia penitentiary. This is an area in which I have been quite interested since I became involved in politics. I visited that penitentiary some two weeks ago. We caused quite a stir by saying that we thought 20 pounds of heroin was missing. I would like to explain why we said we thought it was missing. In March of last year I put a question on the order paper of this House asking why a gentleman in British Columbia had charges against him dropped after he had been arrested with 20 pounds of heroin in his car. Where had that 20 pounds of heroin gone?

From March of last year until two weeks ago I could not get an answer from this government, even with repeated phone calls and questions on the order paper. On a regular visit to the penitentiary I talked to some heroin traffickers who had been on the street at the time of the arrest. They are now spending their days confined to the B.C. pen. They told me that quite often some of this evidence worked its way back out of the hold-up or was missing, and it was common practice for the drug squad to use heroin to get information from addicts. I indicated to reporters that possibly this was the reason the charges were stayed but I would not know until I got an answer. The commissioner of the RCMP could not get an answer that evening. The next morning he said, "Yes, we have the heroin." It seemed that the question was answered.

I still want to ask this government why the gentleman arrested was not charged, or the charges against him were dropped, and why they could not answer my question in all that time. Heroin creates a very serious problem in British Columbia. The majority of the inmates of the British Columbia penitentiary are there on drug or drug related charges. During the election I attended a seminar at the British Columbia penitentiary. I was the only member of parliament from British Columbia who took the time to attend. The police, heroin addicts, their friends and many others were there.

The police estimate that in the lower mainland alone there are 6,500 addicts and their habit costs them $325,000 a day. The addicts in the pen tell us that it is more like 15,000 addicts, at a cost of $1 million a day. The police do not deny this figure. They say their figures are accurate. The police know there are 6,500, but they do not deny there are as many as 15,000 addicts in the province of British Columbia.

My purpose in visiting the penitentiary was to gain information and to try to point out two things to this government and the Solicitor General (Mr. Allmand). First, we must declare an all-out war on heroin traffickers because it is becoming an extremely serious problem in this country. People in the eastern part of the country do not realize this as much as we do in British Columbia, because the fact is that well in excess of 50 per cent of all heroin addicts are in the province of British Columbia and they are growing in number.

In our province 13 and 14-year old girls are prostituting themselves. Mr. Speaker, that is not an exaggeration; it is happening in our province. It is becoming a serious problem. We must declare war on this problem. We used the War Measures Act in the province of Quebec to quell the FLQ. The heroin problem in British Columbia is more serious than that was. It is undermining our whole system and society in that area. I ask that the Solicitor General consider setting up a board of inquiry to ascertain from the RCMP drug squad what weapons they need in their hands, how much money they need in order to stop heroin traffickers operating in this country and filling our jails.

During my trip to the B.C. pen I said that some RCMP officers are dealing in drugs. That is a fact. I was in no way trying to attack the RCMP. That is the fact and we have to live with it. The RCMP is so understaffed in respect of drug squad investigation that some members have become involved with the criminals and have been arrested and charged. They have their own system of security, and we are catching them. We shall not solve this problem until we increase the staff of the RCMP, improve their financial position and make a concerted effort to arrest the heroin traffickers.

● (1440)

Another purpose of the visit to the B.C. penitentiary was to discuss security both inside and outside the institution, since we had heard rumours from people working at the penitentiary, and from inmates out on weekend passes, that things were in bad shape. We found that the security staff of the penitentiary is set at a maximum of 147 men. The Department of the Solicitor General has approved in principle an increase to 170. This number, the warden told us, would be sufficient to ensure good security not only for the inmates but for the public. I then asked the warden how many men were on duty at that moment. He replied that a maximum number of 115 were available for duty at any one time. What is the sense, then, of increasing the maximum number of staff to 170 if you can only get 115 people to work at any one time?

About a year ago, the Solicitor General told the House that he would make sure there were guards in the four towers of the British Columbia penitentiary 24 hours a day to see that people were protected from escapees and to prevent the underworld sneaking up at night, and, among other things, throwing tennis balls over the walls as a means of delivering drugs, as has happened on a number of occasions. What did I find, Mr. Speaker? I found that between midnight and 8 a.m. there were only 12 men on duty for security purposes, in an institution which is overcrowded, with 500 people. I also found that there are no guards in the towers. The hon. member for Vancouver Kingsway (Mrs. Holt) was chastising me the other day for giving out that kind of information, suggesting it could incite a riot. But the hon. lady must realize that the inmates already have information about these things. They know what is going on in every penitentiary every day of the week. They have a system which is better than our Post Office.

An hon. Member: That would not be difficult.

Mr. Reynolds: I was told that two weeks before my visit a caché of drugs had been left in the garden in front of the penitentiary. This is possible, because people can sneak up at night and leave things where inmates can recover them during the day. Along with this caché which, fortunately, was discovered by the guards was a note saying. "Sorry we did not have time to break this down into caps. Hope we shall do better next time." Not long ago another package was found buried in the garden. This time the drug had been broken down into caps and an accompanying note listed the names of the 12 men to whom it was to be delivered. That is certainly better service than I get from the Post Office.

This is a serious matter. People will ask, "What can we do about it?" One thing we could do would be to increase the salaries paid to guards in the penitentiary service. I ask any hon. member who has the time to do so to check these salaries. The starting salary of a guard in the British Columbia penitentiary is $7,522.89 a year. This represents a take-home pay of $205 every two weeks. In the province of British Columbia, in New Westminster where this prison is situated, a 2-bedroom apartment costs $285 a month to rent. How can we expect proper security inside our institutions if we fail to pay these people properly? It is a very tough job. I do not know anyone in this chamber who would want to do such a job. How can one expect morale to be high when the government is prepared to give grainworkers an increase of 61 per cent but will not give the prison guards 6 or 7 per cent?

The Solicitor General should be taking steps now to increase the salary level of these guards. I will give him credit in some areas but in others the bureaucracy in his department does not realize what it is doing. For example, it was decided to increase recreational facilities for the benefit of the inmates and provide better qualified people to instruct them. Four experts were hired for the B.C. penitentiary, each of them holding a degree in physical education. They are paid between $13,000 and $16,000 a year. These instructors took over from guards who were previously called recreation officers, guards who were making a maximum of $10,000, because that is the maximum salary payable after five years. To be more precise, after five years a guard can be making $10,269.

One can imagine the effect on the morale of these men when I say that the new employees had to keep one of the old guards back on the job because the experts did not know how to treat the inmates or how to get along with them. The thinking of the department was: We cannot increase the salary level of the officers, but we can set up a new classification and bring in new people. Perhaps this explains why, out of a total of 118 people available for duty at one time, 70 per cent have less than one year's service. What kind of help are we giving the men we are

supposed to be trying to rehabilitate? I say, none whatsoever.

I know the Solicitor General is a hard working man. He does his best. I have always tried to tell him in advance when I have questions for him, and he has always tried to answer those questions squarely and truthfully. I hope that in the next four years he will do something to improve the standard of pay and conditions for penitentiary staff so that an attempt can truly be made to rehabilitate inmates. I do not think anyone in a job of that type should be expected to live on take-home pay amounting to $205 every two weeks, particularly since staff working in the provincial jails and in the newly-created sheriff's department are paid more than that.

I should also like to say a word about the fishing industry. My riding includes two of the finest fishing areas in British Columbia. The Steveston harbour development has been before the government, and the cabinet has committed itself to go ahead. Then there is the Ladner harbour development. The latter proposal has been put in final form, but it has not yet been approved. I do have an assurance from the minister, however, that the project will go ahead. I wrote to the new minister congratulating him on his appointment, because ever since I came to this House I have been pressing for a separate minister responsible for fisheries. I asked him to visit my riding and tour both the harbours I have mentioned on a totally non-partisan basis, since it is my feeling that though there are Liberals on that side, and Conservatives or New Democrats or Creditistes on this side, we should nevertheless be able to work together for the benefit of our constituents. I hope the minister will accept the invitation to visit the fisheries in our part of Canada, together with myself and representatives of the fisheries unions.

I turn, now, to the subject of air routes. Situated in my riding is Canada's third largest airport, in addition to the headquarters for the second and third largest airlines in Canada—Canadian Pacific and Pacific Western airlines. As you know, Mr. Speaker, the government announced its intention to allocate new routes before parliament dissolved. During the period of dissolution a number of new routes were allocated and certain drastic changes were made. It had always been understood that Air Canada was allocated 80 per cent of the routes and Canadian Pacific 20 per cent. We shall not argue with that. The eastern and western United States are split between Air Canada, which has the east, and CP Air, which has the west. Air Canada serves most of Europe, while CP Air serves Hong Kong, Hawaii, and other routes in South America.

● (1450)

Under the allocation there were 17 routes; Air Canada was allocated 14, CP Air one, Nordair one, and Pacific Western Airlines one. I want to point out to the government what this means to my riding and to western Canada, but before I do so let me say that no member of this House has anything against Air Canada as a body. We support the fact that it is Canada's number one airline. I support it every Friday by going home to Vancouver on it, and I come back on Monday morning via CP Air. They are both fine airlines; both with excellent personnel.

[Mr. Reynolds.]

However, in the move the government has made, CP Air is being undercut to quite an extent. I should like to explain why this is the case. Until this allocation, business in the United States went approximately 80 per cent to Air Canada and 20 per cent to CP Air; that is, business in terms of dollar volume. Under the new allocation, by allowing Air Canada to operate routes from Calgary and Edmonton to San Francisco and Los Angeles, in ten years CP Air will be down to 10 per cent of United States business while Air Canada will increase its share to 90 per cent. I think that is unfair to the people of western Canada, the travelling public, and unfair to CP Air.

If CP Air had been allowed to have those routes from Alberta, they would have been able to operate a triangular route. CP Air would fly from Calgary to San Francisco, then to Vancouver and back to Calgary, which is a very economical route. This would not lose Pacific Western Airlines much business because they already fly from Calgary and Edmonton to British Columbia. But instead, this route has been given to Air Canada. CP Air also fly to Los Angeles. Air Canada has always served Los Angeles from Toronto. Yet they still did not get an extension of that route. They can go to Calgary and Edmonton from Los Angeles, but they cannot go to Vancouver.

I suggest to the Minister of Transport that he should very seriously consider allowing Air Canada to fly from Los Angeles to Vancouver so they can fly a circular route from Toronto to the west. He should also give the other routes back to CP Air so they can fly a triangular route from Alberta. This would mean 1,200 jobs to western Canada which Air Canada cannot offer at the moment, and we could use those jobs in British Columbia. This problem concerns the people of my riding as well as all people in western Canada, so I ask the Minister of Transport to consider the matter very seriously.

Has my time expired yet, Mr. Speaker?

Mr. Deputy Speaker: The hon. member may proceed.

Mr. Reynolds: I have one more issue I should like to raise, Mr. Speaker. It is one we talked about a great deal in the last session and involves the residents of Sea Island. I understand that some of the members of the Liberal Party from British Columbia had a meeting with the residents of Sea Island, in the municipality of Richmond, a few weeks ago when they held their B.C. caucus. The newspapers published an account of how they were going to solve the problem, that these residents had been badly done by, but they now had eight men and women in B.C. who were going to solve their problem.

The issue is a very simple one to solve. In Pickering there have been 2,000 individual expropriations. In Ste. Scholastique there have been 3,180 individual expropriations. In Sea Island there have been only 53. The people of that area are asking for $1.5 million more than the government has offered them, a figure that most private appraisers think fair. The government has already increased expenditure in Ste. Scholastique by $16 million, and have increased their expenditure in Pickering by $7 million. As I say, there are only 53 expropriations on Sea Island, and according to any private appraiser I have talked to, these people are not asking too much. I ask the government to give them this $1.5 million, which will allow them to buy

homes of comparable value to the ones expropriated. That is all that is needed to solve this problem, Mr. Speaker, not all the talk we have had for the last eight years. I hope Liberal members will live up to their commitment to solve this problem for the people of Sea Island.

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I too wish to congratulate you on your elevation to the respected position that you hold. I am sure you will carry out your duties uprightly and impartially, with a sense of justice, equity and fair play.

As the only duly elected independent member of this session of parliament, I stand in a very unique position from other members of this House. As an independent member of parliament, elected as an independent, I will always have a free vote, not bound by party ties or party policies but bound by my conscience and the conscience of the public I represent, namely, my constituents in particular and the country generally.

I represent one of the most diversified constituencies in the nation. It is made up of the city of Moncton, humbly called the city at the centre, with a population of approximately 60,000 people; the town of Riverview, with a population of about 12,000 or 13,000 people; the town of Dieppe, with a population of about 6,500 people; the villages of Salisbury and Petitcodiac, and a vast rural area.

Moncton city itself is really the city at the centre. It is a centre in itself. For example, Moncton is a geographically and strategically located centre of the maritime provinces, a distribution centre, a transportation centre, a communications and telecommunications centre, an education centre, an industrial and economic centre, a financial centre and a tourist and convention centre. It is the hospitality centre of the maritime provinces, the home of the magnetic hill, of hard working, conscientious, energetic and industrious people, of fine schools and churches and of friendly and hospitable people.

Growth in the Moncton constituency is phenomenal. Traffic between my constituency and that of the city of Saint John is increasing steadily. I trust that the indication in the throne speech regarding transportation will mean, in co-operation with the province of New Brunswick, construction of a four-lane highway between these two growth centres, as well as improvement of urban transportation and other forms of transportation, so that national and regional transportation policies can and will be defined and implemented. Airline schedules and services in and out of my constituency are deplorable and must be improved.

The Department of Regional Economic Expansion recently assisted municipalities in the Moncton area in the preparation of the greater Moncton metropolitan plan, which affects every phase of the life of greater Monctonians. Among other things, this plan provides for additional roadways, sewers, water, schools, rail line relocation, and so on. I trust that the appropriate departments of the federal government will continue to render and make available the necessary financial assistance required to implement this plan.

DREE assistance by way of infrastructure and incentive grants to industry has provided thousands of jobs in the greater Moncton area and is one program that should be increased substantially in that area. The Department of Urban Affairs has already approved a study for the development of a downtown area in the city. It is hoped that this study will be completed soon and that all the appropriate departments of government will co-operate in every way, including offering financial assistance, in order to bring this and other plans to fruition as Moncton continues to grow and expand. There is need in the Moncton area for greater input of financial assistance for the acquisition of homes, whether they be new or old, whether they be for young or old, adults or senior citizens.

● (1500)

The rules, regulations and policies change so quickly that citizens have difficulty in making a decision in between changes. The policies and housing programs of CMHC must be limited to urban areas. Rural and suburban areas must be given the same opportunity.

Moncton is truly a growth centre and has proved itself beyond all doubt. In an endeavour to combat and beat inflation there is, inter alia, a need to increase production of goods and services including food, housing and other necessities. In doing so, however, there must be an effort to increase production of all human resources as well as natural resources. These include farming, fishing, forestry, mining and so on.

Incentives and encouragement should be given to young people to remain in or shift to farming, fishing and other primary resources. We need these young people in the primary as well as the secondary industries. I also suggest the government should make an effort to purchase goods made in Canada. It should encourage good quality production and good quality goods. A second look should be taken at the reduction of tariffs if this should result in unemployment for Canadians.

The history of the Moncton constituency points to ethnic backgrounds of French, German, Welsh, English, Scottish and so on. We cannot claim any distinct racial or so-called cultural origin. We should have become Monctonians, and in any event, Canadians. Many citizens in the Moncton constituency are concerned about the present method of implementing bilingualism. It has created a fear among them concerning their future welfare and that of their families. I have noticed the same situation here in Ottawa.

Public servants are just waiting for doomsday, the date of their retirement in the knowledge that their chances of promotion are practically nil. The merit system in fact is no longer in effect. Adult language educational programs in the government services and in Crown corporations just are not effective for the amount of money spent thereon. This is a perfect example of government waste and of an unjust society.

Problems of this kind usually are solved by educational means, not at the adult level but in the public schools throughout the country. It is time we took an example from other countries where barriers have arisen because of segregation. Presently there is a form of segregation or language bias in educational systems across the land. Because of this segregation a barrier automatically is set up.

It is my sincere belief that if Canada and Canadians are to be truly bilingual and if we believe in equal rights and opportunities for all, then all youngsters in this country must be educated together. If this country is to be truly bilingual, it is time both English and French were taught in our public schools on an integrated basis. This is not the first time I have said that.

Let all our children be educated together. Let them learn together, play together and work together. Then they will get along together. Then and only then will our children become true Canadians. If the consent of the provincial premiers is required, or if it should be necessary to amend the BNA Act in order to bring this into effect, then a serious attempt to do so must be started forthwith.

I am sometimes confused when people bring up the word culture when referring to language. The word culture is a misnomer in this regard. I think when I was at college we called it a red herring. What is culture? I do not think we can honestly look for a French-Canadian culture, an English-Canadian culture, a Scottish-Canadian culture, a Ukrainian-Canadian culture, a German-Canadian culture, a Welsh-Canadian culture, an Italian-Canadian culture, a Japanese-Canadian culture, a Chinese-Canadian culture, an Indian-Canadian culture or any other kind of hyphenated Canadian culture other than a true Canadian culture. If we think otherwise, we build a false culture, not a truly Canadian culture. Culture is what a person or one's family or friends want to make it.

We should face the facts. Barriers are a problem in Canada. So often I have found young people unable to obtain employment in their chosen field for which they are duly qualified, both in government circles and in private business, because they are not bilingual. The ground rules are being changed and altered. Many of our young people have not been given the opportunity to comply with the rules.

The barriers are set up at a young age. I do not believe this is a proper and honourable manner for a government of any kind to face this problem. This is a case of government leading the way but putting the cart before the horse. This would seem to be a habit of this government. Sure; change the ground rules if need be, but make a proper and fair preparation for such changes.

Bill 22, recently enacted by the legislature of Quebec, will not promote unity or harmony. It is unconstitutional and will result in injustices and inequities for Quebeckers and other Canadians. The onus then is on the federal government to put a halt immediately to this matter by disallowance and/or referral to the Supreme Court of Canada immediately for an order restraining implementation of the act. Bill 22 conflicts with Canada's Official Languages Act and the New Brunswick Official Languages Act because it provides for only one official language in the province of Quebec.

I trust that this Parliament will not be a crisis Parliament but one which will take steps to remedy situations long before they become crises. This country desperately needs economic stability. This country desperately needs moral stability and political stability. Many problems from which we suffer as a nation and as a world, today are the result of an affluent, permissive, socialistic, political environment not really disciplined but poorly managed and operated in a carefree, nonchalant, reckless and negligent manner. It is true that as a nation and a people we must put our house in order. It is true the government and this House must address themselves to the very serious and difficult situations facing individual Canadians and families.

As a veteran I urge the Minister of Veterans Affairs (Mr. MacDonald) to review immediately the requirements for entitlement to VLA benefits with a view to elimination of the present lot size requirement and the substitution of duly approved municipal lots. This must be done forthwith to enable our veterans who have not been able to benefit from the existing plan to obtain the advantage of the provisions before termination in 1975.

I would also suggest that the Minister of Manpower and Immigration (Mr. Andras) take immediate steps to review the Unemployment Insurance Act and regulations to reduce the effect which the present system is having on business. Likewise there should be more consideration between Canada Manpower offices and unemployment insurance offices in helping people obtain positions when unemployment strikes. It might be revealing to know what percentage of persons actually are employed through Canada Manpower and what percentage of employers use this service.

● (1510)

I trust that the government will take a hard look at all forms of social security such as old age pensions, workmen's compensation, Canada Pension, welfare, social assistance, disability pensions, pensions for the blind, and so on, so that a comprehensive and co-ordinated policy is followed, a sensible and reasonable policy, not a complex sea of confusion.

As a new member of this House I listened intently to the Speech from the Throne in the hope that the government would finally give us an indication that immediate steps will be taken to alleviate our number one enemy, namely, inflation, and all the chaotic problems that arise from it. Quite frankly, there are some items in the throne speech which may be received well and may find acceptance among the people, but this will depend on the legislation, the regulations, and the method of their implementation.

The throne speech is a monstrosity of verbosity, honeyed up with beautiful phrases but with no details as to the quality and quantity of honey. The purpose of government is to provide service efficiently and to avoid waste and duplication. Programs devised by governments and by this House must be devised with this aim in mind. This House and the government must foster traditions of industry, initiative, loyalty, patriotism, enthusiasm, unity not separatism, industry, and so on.

Inflation can be beaten but it will take the wholehearted support and determination of this House, the federal government, the provincial and municipal governments, along with management and labour and all the sectors of our society to battle this disease. It has reached epidemic proportions—maybe some of us do not realize this as yet—and we cannot delay. Some of you may not be feeling the effects of it, but I suggest to you that the standard of living of many Canadians is poor. Regional disparity,

transportation problems, housing, unemployment, interest rates and inter-governmental relations, as well as several other such matters, should be dealt with by the government. Red tape itself is inflated. It causes inflation as well as financial and mental stress. The Income Tax Act is a deterrent to growth and expansion.

I was surprised and disturbed at the fact that no mention was made in the throne speech of the plight of the Indian population in our country. A group of Indians came to Ottawa on Monday, September 30, for a pow-wow. They wanted to talk. The proper authorities should at least have listened to their difficulties so that action could be taken to help resolve them.

In closing I would like to say that it should be made known to all hon. members that as an independent member I will support what I think is good legislation and certainly oppose poor legislation.

Mr. Reynolds: We all say that.

Mr. Jones: But I will attempt to be constructive. Like many of you, I will become impatient with government inaction, particularly in times of crises. It is not only the confusion, the conflicts and the verbosity in the throne speech that bother me but the fact that it does not deal at all with so many serious and chaotic situations in which this country and its citizens find themselves.

It is my sincere hope that in this session we will see all members in all parties work conscientiously and earnestly in the best interests and for the welfare of all Canadians.

Mr. Raymond Dupont (Sainte-Marie): First of all, Mr. Speaker, I should like to join with the previous speakers who have asked you to convey to His Excellency our best wishes for a quick recovery. I should also like to join the other members in congratulating you on your appointment as Speaker of this House and to wish you well in your difficult task.

Moreover, I should like to congratulate the movers of the Address in Reply to the Speech from the Throne. Their important contribution to this debate reflects the continuous concern of the Liberal party to renew itself by allowing young Canadians to take an active part in the government of our country. I believe it is essential for the government party to represent, as much as circumstances allow, all the groups which make up our Canadian society. I am especially happy to note that young members were elected in the government party.

I am happy to take part in this debate, mainly because of the importance of the subjects mentioned in the Speech from the Throne. It deals with matters which particularly affect the constituents of Sainte-Marie whom I have the privilege of representing in this House. The problems of a constituency represent a great challenge for a member of Parliament. There is much that needs to be done in Sainte-Marie and I begin this session with determination knowing that government measures listed in the Speech from the Throne will benefit the citizens who have shown confidence in me.

During the last election, Canadians had to decide what type of leader is needed in Canada and what the present Prime Minister (Mr. Trudeau) can do to solve the problems facing Canada. This matter has now been settled. The Prime Minister and his team, to which I am proud to belong, have received a very clear mandate from the Canadian people. In the second phase, the government now makes its intentions known to the House. And I am convinced that Canadians will agree that the contents of the Speech from the Throne is in line with the confidence expressed by them on July 8 last.

The Speech from the Throne contains no magic formula that would have only fooled Canadians on the nature of current problems and solutions to be considered. I think indeed that its contents reflect the climate of confidence that exists between the government and the people. For that climate to continue to exist it is important that the government party spell everything outright and introduce legislation to deal with those problems, rather than concentrating its efforts on increasing its popularity. I feel at ease in a team which can be so concerned about the fairness and the effectiveness of its program.

Mr. Speaker, we have before us a serious program indeed. The Speech from the Throne recognizes the difficulties upsetting our economy. Those difficulties were expressed by all political parties during the last election campaign. Furthermore, the many contacts I had with residents in my riding proved to me how urgent the problem is. In the riding of Sainte-Marie the economy is not a philosophical issue but a matter of survival. When I try to explain the economic situation to my fellow citizens, as I see it, I always refer to the trade position of our country. We are affected by the backlash of price increases on international markets to the extent that inflation remains a world experience, and particularly to the extent that we have very active external trade. However, note should be made of the foresight of the present Minister of Industry and Commerce (Mr. Gillespie) and his predecessor in his efforts to diversify our sources of supply and the export markets for our Canadian products. Those efforts make Canada much more independent from certain countries, particularly our southern neighbours, as regard the higher price of our imports and the fair pricing of our exports. This factor has too often been overlooked and I am pleased to take this opportunity to point it out.

I am also pleased to learn that the Canadian government is firmly committed through international conferences to work together with various countries to lessen the detrimental effects of inflation.

Canadian policies generally in that respect have surely been quite successful since our economic performance is one of the best in the western world.

● (1520)

However, the matter of concern to me is much more concrete and affects my fellow-citizens much more directly. I leave to the economists the task of enlarging on the causes and nature of the phenomenon of price increases. I am, however, seriously concerned about the social effect of that economic phenomenon.

Indeed, inflation might have no social implications if it would hit everybody equally. The purchasing power of each citizen would not be altered, but on the contrary, inflation is discriminatory. It does not concern all citizens to the same extent. This fact alone jeopardizes the very

structures of our society. The social balance that up to now had been maintained and fostered social progress becomes increasingly precarious. This phenomenon is directly derived from the price rise which favours some people to the detriment of others, and that in a context where there are already disparities that the government is desperately trying to remove.

This social impact was first perceived in the case of persons on fixed income. The government has been aware of the difficulties derived from inflation and suffered by older people. They failed to get their share of rising incomes but like everyone else felt the burden of price increases. By this very fact, the balance was upset.

Improvement in our social security system was defeated by spiralling prices that absorbed any additional assistance by the government in that sector. The rate of inflation was higher than that of pension adjustments. As a consequence, social measures lost their meaning, not reaching their objective: to remove economic disparities.

The government acted immediately. The Minister of National Health and Welfare (Mr. Lalonde) eagerly introduced a bill to index the pensions to the cost of living. That measure neutralized the increasing gap separating the active population from that which had withdrawn from economic life. In addition to that measure, the government raised those pensions to a much more realistic level. I find it indeed most gratifying to read in the present Speech from the Throne that the government intends to amend the Canada Pension Plan to enable more Canadians to benefit from it.

Still, the inflation spiral now produces another effect, creates another problem which until recently was nonexistent. Union workers who, in good faith, had signed collective agreements now find themselves in a squeeze to respect their contractual commitments. Collective agreements covering 12, 24 and even 36 months very explicitly stipulate salary increases. Those agreements aim, once again, at narrowing the gap between the various social strata in Canada. That is one of the objectives of trade-unionism as we know it in Canada. That phenomenon fits perfectly within the dynamics of our society.

Every one agrees that union action has been a blessing ever since the workers' movement became somewhat better organized. Even employers have gained from it. Because of the organized workers phenomenon, and because of the positive action of the government in this area, there are fewer and fewer strikes and employer-employee relations have become more stable.

The various industrial relations acts confirmed the principle of collective bargaining by forcing employers to negotiate the working conditions of their employees. These acts put an end to all the strikes for recognition which were destroying our economy and our society before the advent of unions.

Moreover, employers today admit that, thanks to unions, their relations with their employees have improved. The union is the spokesman for all the employees concerned, so that employers found it a lot easier to deal with their employees to learn of their aspirations, and to compensate for their frustrations and the inequalities which may occur.

[Mr. Dupont.]

In short, the collective agreement as we know it had become for those concerned a guarantee of stability in preventing conflicts and setting procedures for the settlement of disputes. The golden rule was stability of agreement. Whatever the costs for the employer, he could foresee them and, more important, plan the development of his business with this period of rest in industrial relations provided by the agreement.

This is the way things were, Mr. Speaker, before inflation came, but everything has changed since. Papers abound with reports where unions demand the reopening of collective agreement, where employers, in these new circumstances, take a rigid position. Disputes, strikes termed as illegal, breach of agreement result from this, and everyone holds everybody else responsible for all evils. There is no more social balance. This is the situation I would like to consider.

I come from a province that is just painfully coming out of such a conflict and that will no doubt have to face more of the same. When witnessing such incidents, it is too easy to blame workers. It is too easily said that labour unions should simply adhere to their commitments. The real dimensions of the problem are too easily forgotten.

I mentioned the situation of the aged when inflation sneaked in. Workers are in a similar position. The context may be somewhat different, in that many workers are unionized and have spokesmen to cry aloud what they themselves feel. But isn't their plight identical? Don't we have in both cases groups of citizens for which disparity eliminating features no longer function properly? What use is a collective agreement when it no longer reduces the gap between classes?

I firmly believe that in both cases, we have one and a same problem—indexation to the cost of living. What is the significance, in real terms, of 10, 20 or 30 per cent increase when one does not know the rate of inflation that will endure throughout the term of the agreement? Is that acceptable? Nobody knows. Some will nonetheless be outraged with the rate of increase provided for in these negotiations. With inflation there is no longer any standard against which to measure the real worth of pay raises in existing agreements. Workers want that parties negotiate on firm ground, not on the basis of continually changing data. What shame is there in unions bargaining for indexation of their members' salaries? I am convinced that if employers recognized the value of this reasoning, there would ensue a greater measure of economic and social stability.

● (1530)

In the early years of trade unionism, as much as employers then considered as outrageous to have to negotiate with an certified union, as much do they stiffen nowadays at the mere thought of their union calling for the indexation of all wages. Therefore I believe that past employers have been favoured for a long time by the collective bargaining system and that those of today will gain by allowing that indexation.

In order to cope with present circumstances, it is urgent that we should restore the social balance and enable workers to adjust to the effects of inflation in the same way the entrepreneurs can do it by raising their prices. The same

flexibility should apply to everyone. That is my idea of social justice and of the industrial peace flowing from it. Who nowadays can afford to enter into a two or three year business contract without protecting himself against rising prices? Clever businessmen do not make such deals. Why should we ask workers to do so?

Mr. Speaker, I was saying at the outset of my remarks that inflation is endangering the structures of our social order. We have here a perfect example of that. I dare say that the traditional ways of thinking have no value today. That is the great challenge of inflation. Ever rising prices forces our society, which is based on relatively static structures, into motion. We must learn to move, to change our concepts, to adjust, and at a faster rate, otherwise this thrust will get the better of our resistance.

I believe that principle should apply even in cases where a collective agreement is already in force. I am not pleading in favour of those who decide to disregard the commitments they have accepted through a collective agreement. But I will not cast a stone at them either. What does an agreement mean when the terms that led to it are changed? In a strictly legal sense, it is understood that the collective agreement remains valid. But how can one expect the workers, who feel that they were the victims of circumstances, to still be motivated to meet those obligations? Existing contracts that do not include any indexation clauses are a framework within which workers feel more and more cramped.

I believe employers should realize how urgent it is to change those agreements so as to provide for automatic indexation to price movements and that they should allow their employees the same flexibility they enjoy in setting prices for their products. Inflation has gone beyond the rate of wage increments provided for in collective agreements. There can be nothing but chaos and troubles if the situation is not corrected. It is therefore quite relevant that the throne speech dealt with labour strife and the cancellation of contracts as a result of inflation. I am pleased that the government considered those factors in outlining its program to counteract inflation.

In conclusion, may I refer to a development which concerns me greatly because it affects a large number of people in the riding I represent. Mr. Speaker, when a labour dispute breaks out, some are quick to blame organized labour for the results of the work stoppage. Allow me, Mr. Speaker, to dispute the validity of such an attitude.

The situation we live in impels me to conclude that, quite to the contrary, some employers jeopardize the social order that prevails in the country by taking an unbelievably provocative and intolerant attitude. Let me refer for instance to the current dispute at the United Aircraft of Canada Limited, of which we were made acutely aware on the government side by the hon. member for Longueuil (Mr. Olivier). Mr. Speaker, that industry is doing business in Canada and for ten months now it has categorically refused to bow to Canadian traditions with regard to industrial relations.

● (1540)

Following this unfortunate incident of violence, we were informed by newspapers that one of the matters preventing the settlement of the conflict was that the employer refused to adhere to the union security system, the so-called "Rand formula". That formula, Mr. Speaker, is part of our Canadian customs. It has been developed by a distinguished law officer who gave it his name. It is part of the Canadian reality too, so much so that the federal government thought it wise to make it compulsory for all the undertakings affected by Canada Labour Code.

Now, this firm, under provincial jurisdiction, systematically refuses to admit this reality. And yet we are surprised to see workers getting impatient after striking for ten months. I would like to convey my fullest sympathy to those workers who fight in order to obtain an advantage which is generally recognized throughout Canada. I think that the employer's position not only is unexplainable but that it gets fraught with consequences.

As I conclude, Mr. Speaker, let me mention the case of the grain handlers' strike. Here is another situation that can develop into social chaos due to the mere fact that the employers are refusing to acknowledge the merits of the report of the commissioner-conciliator, Dr. Neil Perry. The employer sticks to his position, although he knows that the government will not be able to indefinitely tolerate this work stoppage and that its legislative intervention will reflect the contents of the Perry Report. The Speech from the Throne did mention that this matter will be brought before the House because of the employers' obstinacy in failing to approve the solution suggested by Dr. Perry.

Earlier in my remarks I said that the present government must face great challenges. I look to the future with great confidence and enthusiasm. However, I am aware of the necessity for Canadian employers to become more flexible in their approach to the social and economic reality. It is in their interest. Our society can afford to develop, while enabling its citizens to progress and have their place under the sun. I am convinced that the steps taken by this government, as mentioned in the Speech from the Throne, will contribute to such an achievement, by minimizing the effect of the rise in prices and by making sure that the economic burden laid upon us will be borne by all in Canada. I am proud to belong to a team that is going in that direction.

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to discuss the direction of Canada's foreign policy. As most members of the House know, Mr. Ivan Head, the Prime Minister's special adviser on foreign affairs, is reported to have spoken of a new activist role for Canada on the left wing of international affairs, and of Canada's intention to take a more moralistic approach to international problems, an approach similar, although not necessarily identical, to that of Sweden. The Prime Minister (Mr. Trudeau) has repudiated this account of his views. I have no difficult whatsoever in accepting Mr. Head's statement that he was misinterpreted.

● (1540)

However, I wish to say that I earnestly hope the Prime Minister and the government, particularly the new Secretary of State for External Affairs (Mr. MacEachen), will in fact take an active, humanitarian and enlightened attitude toward international affairs. I do not care whether

you call it left wing or what label you attach, it is the substance and specifics that are important. I want to discuss some of them.

May I first say that I detect in the Prime Minister's statement to the Canadian Jewish Congress in Toronto On June 16 of this year, and in his address at Duke University on May 12, a substantial and, in my view, very welcome shift in Canadian foreign policy.

In the Toronto address the Prime Minister emphasized that Canada is not an island. He spoke of our dependence on others and their dependence on us. He stated he hopes Canada's presence in the world will be judged by its humanism and pursuit of social justice. He stated that Canada's foreign policy would be meaningless if this were not carried out as it would not reflect the character of Canadians.

The Prime Minister went on to quote John Donne, the Elizabethan poet, who wrote "Every man's death diminishes me". The Prime Minister added that this quotation should guide our foreign policy as it guides our domestic policy. Compassion, the Prime Minister stated, must have no geographic focus nor must our geographic efforts have geographic limitations. With these words I entirely agree. What we need is to put them into practice.

In the Duke University address the Prime Minister spoke of a fairness in the political and economic relations between developed and developing nations. He said fairness must be a reality and not a theoretical concept. He spoke of the developed nations having the knowledge and means to alter the course of human destiny. We have, indeed, a responsibility universal in concept and planetary in scope. Such responsibility, he went on, requires an exhibition of maturity and such maturity requires new values. Once again, I could not agree more. Once again I repeat it remains to put this excellent rhetoric into practice.

It seems the government is prepared to discard the priorities revealed in the white paper on foreign policy a few years ago. However, it may not be willing to admit it is doing so. In the white paper priority is clearly assigned to economic growth. Indeed, this priority was practised.

May I give as an example Canadian trade policy in respect to South Africa where we continue the Commonwealth preference although South Africa, by reason of apartheid, long ago left the Commonwealth. We helped to build up the illegal regime in Namibia and from time to time we gave effective economic help to the then Portuguese colonial regimes. I am glad to note from his speech to the Canadian Jewish Congress that the Prime Minister repeating the various objectives governing Canadian foreign policy, puts economic growth at the end of the list. He said that from time to time pursuit of one or the other of these objectives must be given preference over all others.

We must now have, in practice as well as in theory, priority on peace, on security and on social justice, on the pursuit of humanism and compassion. Economic growth is all very well but it cannot be the guide to foreign policies of Canada at this time. A change in priorities will also require a shift in policies.

The statement attributed to Mr. Head, even if misquoted, represents what is essential if the shift in priorities is to take place. I quarrel in no way with the Prime Minister's rhetoric. I only ask that it be demonstrated in practice.

A great opportunity for demonstrating the type of leadership which Canada can give lies ahead in the U.N. World Food Conference which is to take place in Rome in November. For generations many people throughout the world have suffered from malnutrition and, indeed, starvation. What are described as conservative estimates, prepared for the Rome Conference by officials of the United Nations, state that 460 million people, one-eighth of the world's population, suffer from chronic hunger and malnutrition. Recently the true proportions of the disaster facing the world have become clear.

Dr. Norman Borlaug, Director of the International Wheat, Maize Improvement Centre and a Nobel Peace Prize winner, said that as late as the spring of 1972 the world felt very complacement about agriculture. There appeared then to be adequate food reserves. But drought and poor monsoons resulted in the disappearance of surplus stocks of grain and in the very substantial increase in food prices throughout the world. With the disappearance of food grain reserves the whole world food situation, he said, has become precarious. If a major drought occurs in the world now or a crop failure in any of the large grain producing areas of the world, tens of millions could die in an international disaster and little could be done to prevent it.

Distinguished scientists recently presented a declaration to the U.N. Secretary General. In reply Mr. Waldheim said, and I quote:

> The Declaration addresses itself primarily to the dramatic depletion of available food reserves and the shortfall in world food production. There is no more immediate task than that of rescuing the world from a situation which for many has always been precarious and is now even more hazardous. Short term measures, while essential, must not be allowed to become palliatives, for the coming years will increase our vulnerability... Virtually in no other area is it more pressing than in the one to which your Declaration addresses itself, the need to assure that the men, women and children of Africa, Asia, Europe and the Americas, whatever their origin, their religion, their political philosophy, their age, their social condition, have the basic food which is the one essential, undebatable precondition of a life of dignity and decency. Without an assured supply, all our aspirations for peace, for social justice, for growth and creativity, both as individuals and as nations, lose their meaning and take on a hollow ring.

In my view in those words the Secretary General has put his finger on the major problem facing the world today, the simple problem of finding enough food to feed the people of the world.

What then must be done? There are two choices, either to increase the land area under cultivation or increase the yield of production per acre of land already under cultivation, particularly in the so-called developing world. What is needed is research, much of which must be done locally. What is needed above all is an increased production of chemical fertilizers which are in dangerously short supply.

The difficult task of increasing food production has been immensely enlarged through the present energy crisis, resulting in higher prices for petroleum products and chemical fertilizers.

We sometimes tend to claim that some of the developing countries are responsible for their own misfortunes. This does not do justice to the facts. Take the case of India, for

example. In 1971 India spent $560 million on the importation of crude oil, fertilizer and food grains. If she were to buy the same amount of these products today, which she cannot afford to do, she would find that the price of crude oil and the price of fertilizer had gone up about four or five fold, and the price of food grains had tripled.

● (1550)

Freight rates have increased. In order to obtain the same amount of these products which were purchased in 1971, India would have had to pay approximately $3.1 billion, more than five times as much as in 1971. This is completely impossible as India's foreign exchange earnings from all sources are about $2.4 billion. There is no way in which India can secure adequate fertilizer and adequate crude oil except by importing, and thus India cannot afford to import what is needed. The so-called green revolution which promised so much has gone down the drain and India is forced into increasing dependence upon the rest of the world.

It is necessary not only to increase food production but to stabilize world population. However, stabilization of the world population is not an end to be sought in itself, as the recent conference in Bucharest on world population made abundantly clear. It is a by-product of development.

The sad fact is that the poorer countries have insufficient capital to improve their production. If what we say is true, that mankind is one human family, it is the duty of the richer one-third to help the poorer two-thirds. An attitude of charity is not enough. What is called for is a system which is free of exploitation and injustice.

What are some of the measures which can be taken? There is an urgent need for the creation of an internationally-managed feed reserve system which would provide a measure of price stability in a world food economy. A crash effort is needed to increase world fertilizer production. Aid can, of course, play a positive role, but it is only secondary.

I could never understand why we have not lived up to the U.N. target proposed originally, as I recall it, by the former prime minister, Mr. Lester Pearson, of .7 per cent of the gross national product for development assistance. We should do so. We should take the lead in meeting this target which has long been proclaimed but which has never been accepted in practice.

Aid can only be viable as a complement to trade and economic policies which enhance self-reliant development in the Third World. It is true that in the immediate future we shall probably be called upon to deal with disaster areas and take special emergency steps to prevent starvation, but in the long run it is only by policies of development, and by aid and trade which will assist this development, that world problems can be solved.

Sales of food to less developed countries must be made on concessionary terms. The basic problem, however, is the growing gap between the affluence of the north and the poverty of the Third World. What is required is a restructuring of the world economic system with the interests of the Third World the centre of debate. Too often the voting power in memberships of international organizations such as the IMF, the World Bank and GATT have reflected the views of the developed world and have not reflected equitably the interests of the majority of the world's population.

Canada is in a unique position to assume leadership, and the World Food Conference in Rome is a good place to start. I was glad to hear the other day that the Secretary of State for External Affairs himself expects to lead the Canadian delegation. May I once again urge that provision be made for the attendance at the conference of other Members of Parliament from the different parties, as well as representatives of non-governmental organizations.

So far, Mr. Speaker, I have been speaking of the tragic possibilities inherent in the world food situation. I want now to turn to the tragic realities in one part of the world and suggest that if Canada's policy is to be based, as the Prime Minister says, on humanism, a new attitude is required. I refer to the situation in Viet Nam.

As is now well-known, the Paris Peace Agreement, although it brought about the withdrawal of most American military personnel from Viet Nam, has not brought peace to that country. Indeed, the hideous and tragic war has continued and U.S. military aid involvement in South Viet Nam is continuing.

According to an article in the New York *Times* by David K. Shippler the United States, far from phasing out its military involvement in South Viet Nam has descended from a peak of warfare to a high plateau of substantial support, dispatching not only huge quantities of weapons and ammunition but also large numbers of American citizens who have become integral parts of the South Vietnamese supply, transport and intelligence systems. Indeed, an article in the *Globe and Mail* by Charles Taylor, a responsible journalist, suggests that Canada has been indirectly involved in the supply of weapons and ammunition to South Viet Nam for the continuation of the war.

It is true that the American people and the American Congress are becoming restive. Recently the Senate, despite the urging of President Ford in the honeymoon era of his administration, voted by a majority of only one to meet a request for increased aid to Saigon. The basic reason for this is that more and more Americans are becoming aware of the situation in regard to political prisoners.

The existence of political prisoners in South Viet Nam is beyond any reasonable dispute. Substantial accounts of mistreatment and torture of such political prisoners have been authoritatively reported by responsible people from different countries. Evidence has been given before the Committee on Foreign Affairs of the U.S. House of Representatives and before the U.S. Senate Sub-Committee on Refugees.

I myself have had an opportunity to interview many witnesses of unquestionable credibility who have seen the evidence of continued terror and torture. The scale is tremendous even if the numbers are sometimes in dispute. The conclusion of Amnesty International, a respected international organization, was that there were 70,000 to 100,000 political prisoners being held. The U.S. Senate Foreign Aid Appropriations Sub-Committee set the figure at between 40,000 and 60,000.

Various other sources estimate the number of political prisoners at 200,000 or more. The Saigon government has

denied the existence of any political prisoners or fixed their number at various times, as between 5,000 and 40,000. But the Saigon government has a simple way of dealing with this subject. It changes the records in respect to the political prisoners in its dossiers, designating them as common criminals. Thus, it is able to say there are no political prisoners.

Who are these prisoners? They are a varied group of students, including Buddhists, labour leaders, lawyers, peasants and opposition politicians. Few of them are communists or supporters of the National Liberation Front. The offence of many of them has been to seek a neutral solution, and pacification and reconciliation in Viet Nam. They constitute the element most able to carry out this pacification in accordance with the solemn terms of the Paris Peace Agreement. We have ourselves seen films from a respected British television company, *Granada*, showing interviews being conducted with prisoners, the victims of torture, and demonstrating the pitiable condition they were in.

Among the witnesses were a number of Canadians, and I refer in particular to Bishop Belanger of Valleyfield, Quebec; to Mr. Label, a law professor at the University of Quebec; to Mrs. Thelma Baker, a highly-respected member of the United Church, and, indeed, to my former colleague, Mr. Doug Rowland, the former member for Selkirk, whose loss to this House, I must add in parenthesis, I deeply deplore.

The reality of this picture of repression, torture, terror and death cannot be seriously contraverted. It may be overlooked, it may be minimized, but it exists. It seems to me that the words of John Donne, quoted by the Prime Minister as a guide to our foreign policy—"every man's death diminishes me"—are appropriate.

But what has the Canadian government done? I do not doubt for a moment the deep and real humanitarian concern of the Canadian government and its representatives. But I think they have failed to take the necessary steps that might improve the situation.

● (1600)

I must admit that the Canadian government, through the former secretary of state for external affairs, made diplomatic and private representations to the Saigon government, but it does not seem that these representations did any good. What he also did was to decline to accept representations made by a group of members of this House from almost all parties, many of them members of the Standing Committee on External Affairs, urging Canada to take a more active role in seeking a reference of the matter to the Human Rights Commission of the United Nations, or pressing for more effective inspection by the International Red Cross or other international agencies.

We had full discussions with the former minister but he decided that no action should be taken toward an international handling of the problem, and that no overt protest should be made. His basic ground for taking this view he said was that such action would not have effective results or be productive. He even went so far as to say that it might be counter productive.

I for one cannot accept, and I think hon. members of the House will not accept, this particular conclusion. To do so would undermine the international machinery for the protection of human rights set up through the United Nations. The treatment of political prisoners in Viet Nam disregards principles of international law, the universal declaration of human rights, the spirit of the United Nations charter, the Geneva convention and the Paris agreement.

It is not correct to say that treatment of its own nationals by any particular country is never a matter of international concern. When such treatment amounts to a gross violation of fundamental human rights, it does become an international issue. Apartheid in South Africa is clearly an illustration of this. To bypass the machinery of the United Nations is to ensure its futility. This is in face of the fact that one of the most promising international developments since the end of the last war has been the growth of international humanitarian law. The bypassing of this machinery is a poor service to the international community, to the United Nations, and to the development of the rule of law.

How can it be said that such a reference would be unproductive? This is a question that no one can answer with certainty. The fact remains that the regime in South Viet Nam is absolutely dependent on outside aid to maintain itself in existence, let alone achieve any degree of stability. The United States administration has continued to support the Thieu regime and to ignore its record of terror and torture. But more and more public opinion in the United States and in Congress, both in the Senate and in the House of Representatives, is seeking to limit this aid. The finding of an international tribunal on this matter, I suggest, would be bound to have a substantial effect.

We urge the government to reconsider its views on this matter and to consult again with other sympathetic governments, such as Sweden, The Netherlands and Austria. I have no doubt there are many others, and I can assure the government that there are a great number of people in Canada who are deeply concerned that Canada demonstrate its humanitarian concern for more active steps to rouse world opinion. Abuse of fundamental human rights is all too common in the world today, but by far the largest scale example of this abuse is what is happening to political prisoners in South Viet Nam.

There are other aspects of our attitude toward Viet Nam that require re-examination. I was glad to hear that the government is extending reconstruction aid to North Viet Nam through a non-governmental agency which, if I heard alright, is the World Council of Churches. I hope this policy of treating all parts of Viet Nam, regardless of political philosophy, equally in matters of aid will be continued.

There is another development that requires to be watched. A determined effort is being made to use international organizations such as the World Bank, the Asian Development Bank, the International Development Agency, the International Monetary Fund, and internationally subscribed funds, including Canadian funds, to bolster the regime in South Viet Nam. This attempt has been going on for some time now but has not yet succeeded.

According to an article in *Le Monde* of September 21, a highly secret meeting under the aegis of the World Bank is

to take place in Paris on October 17. It is proposed to request the World Bank organization to extend, through the International Development Agency, a loan of $50 million to the Saigon regime. The proposed Canadian contribution would be of the order of $5 million.

I urge that, before Canada consents to this, conditions be imposed, namely that real progress must be made in the freeing of political prisoners and that adequate international inspection of places of detention by the International Red Cross or some other international body be permitted. Such loans should be made to all areas of war ravaged Viet Nam, not to one area alone, in accordance with the spirit of the Paris peace agreement. It is said that these international organizations like the World Bank do not operate on political considerations, but is it not a political act, while a conflict is going on, to extend aid to one side and not the other?

I should like to hear from the Secretary of State for External Affairs whether Canada is to be represented at this meeting and, if so, what attitude we are going to take. Much the same could be said of the situation in Chile, but I presume my time is coming to an end so I shall not enlarge on that matter. Here again is a regime that has demonstrated a record of terror and suppression of human rights, one that should not be bolstered through economic aid in the form of loans from international consortia or otherwise.

If we are to have a peaceful and stable world in which humanism is to be the touchstone of policy, then we need to give more effective support to the United Nations. I do not blame people for being disillusioned and frustrated over the futility which inevitably flows from a body that is not in itself a sovereign power but can only act after a measure of consensus between its individual members, who are sovereign states, has been reached. However, the importance of the United Nations to world peace cannot be denied.

It is no accident that three most important international gatherings have taken place recently under the aegis of the United Nations. I refer to the Stockholm conference on the environment, the Bucharest conference on world population, and the coming world food conference in Rome. All of these were convened by and through the United Nations, which is helping to build an international order that is absolutely essential for the peaceful development of humanity.

I think I should also say a word about peacekeeping operations. They do not always succeed. Although the political results are not what they might be, I think every Canadian has a right to be proud of the fact that in Cyprus the Canadian Armed Forces played a tremendously vital role in the saving of human life and the development of what is at least a truce that has some chance of becoming a stable settlement in that unhappy island. Nor should we forget the role of the United Nations in the conflict in the Middle East. Suffice it to say that, whether Mr. Head was misquoted or not, the time has come for Canada to heighten its world influence—and I am using his words—by taking a more moralistic approach to international problems and a more active role on a humanist basis in foreign affairs, a basis that puts its emphasis on human problems that affect people wherever they live.

We wish the Secretary of State for External Affairs the very best in his onerous task, and if the government's policies are directed to the ends that I have described, he can count on our support.

Mr. Howard Johnston (Okanagan-Kootenay): It gives me great pleasure, through you, Madam Speaker, to congratulate the Speaker of the House on his appointment to that high position, as well as to you for filling the role so well through some of these sittings. Those who know me will know that I have long advocated a more important role for women in the politics of this country, and one thing that pleases me about this parliament is the number of ladies who are here as members from a variety of constituencies.

● (1610)

I also congratulate the hon. member for Montmorency (Mr. Duclos) and the hon. member for Vancouver East (Mr. Lee) for their able moving and seconding of the Address in Reply to the Speech from the Throne. I appreciate the honour to my province that was extended when the hon. member for Vancouver East was asked to undertake that particular task.

It is good to be back. I sat in this House as the member for Okanagan-Revelstoke some six years ago. It gives me great pleasure now to return as the member for Okanagan-Kootenay, a much larger constituency than that which I represented previously.

Some hon. Members: Hear, hear!

Mr. Johnston: While I was in Ottawa earlier for one of our party's caucuses I happened to run into the hon. member for Winnipeg North Centre (Mr. Knowles) as he was leaving the building. He spoke to me in his usual kind, and affable way. He said I was one of the recidivists. I was rather pleased he had not referred to it as returning to the scene of the crime.

At the time I was thinking of it more in the nature of a reincarnation, but I realized because of the background of the hon. member for Winnipeg North Centre that for me to have replied to him using that word would have lead to some theological problems. It seemed to me that he and the members of his party had enough political problems at the present time, and that therefore I should not add to them.

It has given me a great deal of pleasure to meet a number of parliamentary colleagues who were here when I was previously here. I refer to colleagues in all the parties represented in the House. I see that many cabinet ministers are still here from those previous years. They are very much to be remembered, as well as those other people who administer to us in the Parliament of Canada, all those people who conduct small duties. I refer to the waitresses, the messengers and others. It has moved me very deeply to be remembered by so many of them.

I represent, in Okanagan-Kootenay, a very diversified constituency. In some ways for two-thirds of the constituency this is a maiden speech because I am representing those people for the first time.

It is a marvellously beautiful constituency, one that was visited by the Leader of the Opposition (Mr. Stanfield)

during the campaign. He was able to see its beauty at firsthand. I am sure he would remember the morning when we crossed the flooding St. Mary's River to attend a great rally at Cranbrook. At that time things seemed to be looking very bright for this party. I suppose we should have perceived that the water in the river was muddy and that it was a Liberal tide that was swelling, but that observation did not come to us until somewhat later.

This is a constituency which reaches from south of Vernon all the way around through Rogers Pass, that beautiful highway, then south through the Kootenay Valley, on to the United States border, and then back over almost to Creston and on to the Crowsnest.

One delight in campaigning through that constituency is its great physical beauty. I found that no matter how exhausted I might be on reaching the town of Golden and proceeding south, the beauties and wonders of the Kootenay River Valley always provided an amazing lift that buoyed me up through the various campaigns.

Yet, in spite of all that beauty there are problems that are with us still in spite of the election. One gathers that they will be with us for a long time. I think principally of the problem of inflation which is at the root of many of the other things that trouble this constituency and this country. There is industrial strife in the constituency. There are people out on strike at the present time. They are on strike because they feel wage settlements have not been keeping up with inflation, and they have not been, Mr. Speaker. This is a severe problem.

There are cities which would like to go ahead with development but find the cost excessive. There are farmers who are very concerned about the falling price of beef and the rising price of everything they must buy for their operations. They know the significance of inflation in this land.

There are mills throughout the constituency and in the province that are closed down or are laying off workers in great numbers because of the falling prices of lumber. Lumber prices are falling because inflation has not allowed the Canadian people to build the houses they would like to build.

There is a crisis in municipal affairs throughout the land. Various spokesmen have urged that the municipalities be given a greater share of the tax resources which, in a sense, would make them a little more independent of the whims of federal or provincial governments. I sympathize entirely with this view. It has been presented most recently by Mayor Fleming of Vernon, who himself was a member of this parliament some years ago.

There are urgent problems such as flood control, for example, which is enormously expensive. Anyone during the campaign who watched part of the town of Golden going under water would realize how close to the hearts of the people is the question of flood control. Yet, projects are delayed and postponed because of the expense. I realize there is not a great federal role in that area until disaster strikes, but it does seem to me it would be significantly important to have intervention prior to a disaster when we know, through studies and reports, what is essential to prevent that sort of flooding.

[Mr. Johnston.]

In the beautiful Okanagan Valley we will have a problem with weed control in the lakes throughout the south central area of British Columbia. In some ways this is a very local affair, important to the regional district. It is also a provincial affair, but I submit that anything as beautiful as that valley is also a national asset. One would feel again that there is, and must be, a role for the federal government in tackling a problem of that kind.

The constituency I represent also contains a variety of national parks. I wish the minister responsible for national parks were here this afternoon. I shall be making representations to him as the weeks go along. One would believe of anything as beautiful as a national park in British Columbia that living there, or nearby, would reflect some of the qualities of living in paradise. But one finds, travelling through those regions, that there are particular problems for the people who are living in or near national parks.

I urge that the federal government, which establishes and controls those parks, should have an open and generous policy to remedy the anomalous situation of people living among marvellous scenery and natural beauty, and who find themselves frustrated and almost in despair because of the slowness of action taken on a variety of problems within the jurisdiction of the federal government.

The question of redistribution was mentioned in the Speech from the Throne. This is a subject which concerns my constituency very much. The name of the constituency derives from different languages. The Okanagan part is interior Salish, a part of the great Salish language group of British Columbia. The Kootenay part comes from the extrusion of the plains people across the Rocky Mountains of British Columbia. The constituency itself today still bears some of that remarkable diversity suggested by its very name.

At the time I appeared before the redistribution committee in respect of its proposal to set up this constituency I referred to this matter, and the hon. member for Prince Albert (Mr. Diefenbaker) rose then to ask whether I would explain. At that point I did not take the time to explain, but this was what I meant. It is a difficult constituency to serve and I should like to pay tribute to the previous member, Mr. Douglas Stewart, its representative for six years, who retired.

● (1620)

We have lost, and we continue to lose too many people from British Columbia who have struggled with the problems of representing such vast areas, particularly considering the remuneration they receive compared with what they could receive in other professions or occupations in British Columbia. They struggle with the problem of travelling in winter throughout a very extended constituency. I sympathize with anybody from that province who has a young family and who endeavours to serve in this House, because the problems are very great. One of the things that redistribution could do, and I trust will do, is give to the province of British Columbia a more equitable representation than it has at present.

Some hon. Members: Hear, hear!

Mr. Johnston: The constituencies are vast. So far as I can see, any new proposals for redistribution do not appear to go to the root of the problem for us, the representatives from British Columbia. I agree with Mr. Stewart who gave as his reason for retiring the strain of the task. The experience of six years should not be abandoned because of those difficulties. However, I sympathize with him wholeheartedly. I trust that redistribution will proceed and that it will accomplish something.

One of the other interesting proposals that have been put forward in the Speech from the Throne is that the debates in this chamber be televised. I find this proposal interesting and amusing because, as long as six years ago, when I was here previously this matter was being raised as something that simply had to be done and that would somehow contribute to democracy in this land. I was interested to hear the President of the Privy Council (Mr. Sharp) make some reference to it a week or two ago suggesting that he would recommend the televising of this chamber's proceedings. I would like to warn him against that course which I opposed six years ago, and will continue to oppose now.

I have always been an admirer of the colour of the hair of that hon. member for Eglinton, but I do not think that he will be any match for Betty Kennedy when he appears on "Front Bench Challenge", nor do I believe that the ratings for such a program would surpass the ratings for the existing program of which Canadians have grown so fond through the years. Even if we called such a program "Talky Night in Canada" I do not think that its ratings would be anywhere near those of the programs broadcast by that great Canadian institution which has allowed us to follow the Team Canada series in the past few weeks.

I happen to believe in the representative system of parliamentary democracy. I think it is the best guarantee of freedom that any country in this world can have, and I believe it should stand on its own as something good and worthwhile. I think that the right hon. Prime Minister (Mr. Trudeau), in his 1968 campaign in particular, did an enormous amount of harm to democracy in Canada by talking about participatory democracy, which led many people to believe that somehow the television set could link people more closely and provide something in the nature of a direct democracy such as was known in ancient Greece where democracy was born.

I do not believe that, Madam Speaker. I believe that the people of this country elect their representatives to get on with the business of government. Although they may watch the process, they want to get on with the business of living their lives at the same time. I find any suggestion that television will improve the nature of the deliberations of this House strange indeed. Television, as Professor McLuhan says, is entertainment, but our purpose here is to legislate.

The right hon. Prime Minister in his speech on leader's day said that the important task of this House is the debating of legislation. This is our aim, not to entertain. That is not why we are assembled here. I will have more to say on the subject later, particularly on any attempt to change basically the nature of our parliamentary system, because that is what television does to everything that it touches; it changes it. I do not think we should allow that change to be undertaken lightly, nor do I think we need to allow it to be understaken at all.

I am particularly disappointed that the speech which we heard from the right hon. Prime Minister contained hardly any mention of the problem of inflation. The hon. member for Greenwood (Mr. Brewin), who preceded me, quoted poetry to the House. I also would like to quote a line of poetry. It comes from Kenneth McRobbie. The poem is very aptly called "Changing the Constitution" and it can be found in the August 1974 issue of the Canadian Forum. The line should answer the question of anybody who listened to the right hon. Prime Minister and asked after the speech: what did he say about inflation? It reads "nothing you could give a name to or glimpse in plain daylight". I would recommend the reading of the poem to the right hon. Prime Minister and indeed to any member of the House.

One of the things that I noted with particular pleasure in the Speech from the Throne was the suggestion that "O Canada" would be made our national anthem in the full legal sense, and it pleases me that the first reading of that bill was given in the House.

I worked on the committee considering the national anthem six years ago. That committee worked long and hard. At one of its earlier sessions I suggested that all we really had to do was to accept the French language version of the anthem and slightly amend the English version. I am afraid the committee was a bit carried away and we ended up having another contest in which Canadians were asked to write another national anthem. We waded through some 600 suggestions that were forwarded to us. In the end, however, we accepted the French language version as it was, and slightly amended the English. I feel that this bill should receive a speedy passage through the House, and I trust that all members of all parties will agree to it.

● (1630)

I thank you, Madam Speaker, for the opportunity of again addressing the House of Commons and serving my country. I am proud and pleased that my constituents have chosen to send me here. I have spoken before on behalf of my constituency and province, and it gives me great joy, Madam Speaker, to have returned to this great institution.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, it is an honour to rise and address this House for the first time, and particularly to do so on behalf of the people of Peel-Dufferin-Simcoe. I am sure each and every one of them would join with me in congratulating the Speaker and his very able assistants on their appointments. I know all three will have the support of members on all sides of the House.

Peel-Dufferin-Simcoe is a very unique constituency. It contains, I suppose, one of the fastest growing urban areas in all North America in the Brampton-Bramalea area. I think Bramalea is a model for some of the new cities that will be built across Canada.

The riding as well has a very rich agricultural industry and the towns of Alliston and Orangeville are dependent upon it. In addition, my riding has a large military base at Camp Borden. So, Madam Speaker, it is a real privilege

and honour to have been elected by people with such diverse interests and such diverse endeavours. Through you, I want to thank all those who supported me and elected me. I want to say to the people of Peel-Dufferin-Simcoe that I will represent them as fairly and as energetically as I possibly can.

Perhaps of all the attributes the riding of Peel-Dufferin-Simcoe has, the greatest is its people. I am honoured to have a group of young people in the gallery today who have shown a marked interest in the political process. I hope they will maintain that interest, and my fondest hope is that one of them will have the privilege which I enjoy today of entering this chamber and addressing it for the first time.

I think I was a little bit younger than any of them when I first became interested in politics and made the decision that I would pursue a political career if I had the opportunity. A great influence in my life was a relative of my father's who became the first woman ever to sit in this chamber, Agnes MacPhail. If I can even achieve a percentage of the effect on the social and economic reforms in this country that she did, then my time here will be well spent. I share the feeling she expressed that perhaps the most awesome moment in her life was when she rose to address this chamber for the first time.

I should like to congratulate the cabinet, and particularly the Prime Minister (Mr. Trudeau), on the Speech from the Throne. I think it addresses the key issues as they are seen by the people of Peel-Dufferin-Simcoe.

A good deal of the emphasis was on the economy and the inflationary factors within it. I was particularly glad to see that the Prime Minister indicated an intention to bring forth a budget at the earliest possible time. It is my view that most of the things that can be done about inflation can be done through the budget. I agree with the government's basic approach to inflation, that of applying every means possible to increasing the supply of goods and services to meet demand, and taking steps to lessen the impact of inflation upon those who can least afford it. I hope this parliament will very soon introduce legislation which will allow the government to take steps to stop profiteering.

I am very pleased that in the Speech from the Throne there was no indication of a move that would stall the economy. If we have to suffer anything I think it is better to suffer inflation than to stall the economy and end up with both unemployment and inflation, as has happened in so many other countries.

I was also glad to see in the Speech from the Throne two things that are very important to the people of my riding; the intention to amend the Unemployment Insurance Act and the intention to give continued attention to effective government spending. People are concerned about the Unemployment Insurance Act, particularly those provisions which allow payment of benefits to people who voluntarily leave their employment or leave because of bad conduct. As many people know, I have been critical of the Unemployment Insurance Act and I am glad to see that amendments are proposed.

In the time at my disposal this afternoon, Madam Speaker, I want to speak about two of the key items in the

Speech from the Throne, matters that will face Canada over the next 25 to 30 years. These are the questions of energy and food production. In my view any country that is not essentially self-sufficient in food and self-sufficient in energy does not have a very rosy future.

Any country that is essentially self-sufficient in energy and in food must have a lower level of inflation and a lower level of unemployment than others. It will have very strong industrial base and most certainly will show leadership in the world in the future. If you question that, Madam Speaker, I ask you to compare our economy and its inflation and unemployment with some other countries that are short of either energy or food, and you will find that some of them have inflation far beyond 30 per cent. I think we are very fortunate because there are probably less than half a dozen countries as self-sufficient in food and energy as is Canada.

We heard a lot about the energy situation, last year. It was a common topic in the newspapers and media, and I suppose even in this chamber was spoken of more than any other subject. This great debate on energy is far from over, Madam Speaker. We must remember that by the turn of the century our need for energy will be 2½ times as great as it is today. Let us pause and reflect on that.

I should like to congratulate the Minister of Energy, Mines and Resources (Mr. Macdonald) on his capable handling of the crisis last year and to wish him well for the future. Many of the decisions that he and the government and this House must take will be more important to the future of the country than any other issues I can visualise.

Only 5½ years from now, in 1980, the United States will import as much oil as they will produce domestically. In terms of today's dollars it will cost them $25 billion to $30 billion, that is, if they can get it. Just think what that will do to their balance of payments position. In terms of the energy crisis I think one of the greatest threats to Canada is the possibility of importing countries becoming protectionist in order to guard their balance of payments. Ontario exports two-thirds of its energy to the United States, so that is a good market.

Something else that concerns me, Madam Speaker, is the ownership of our uranium resources. I was glad to see the government express an intention in the Speech from the Throne to do something about this problem. I was equally delighted to hear the government announce that there will be guidelines and policy introduced regarding the amount of uranium we should allow to be exported from Canada. The policy will take into account our long term needs. I think all Canadians can stand a little taller because of the tremendous success of CANDU. I think all in this House are proud of its success.

● (1640)

Generally, our use of energy is increasing. Petroleum use has grown by 4 per cent, and the use of electrical energy by 7 per cent. This shows that we are shifting away from the use of petroleum and placing more reliance on electricity. Ontario, which now produces much electrical energy, will use more in the future. It is quite conceivable that by about 1990 half the electrical energy used in Ontario will be derived from uranium. Uranium energy

will supply between 20 and 25 per cent of total provincial needs.

Clearly, we should do everything in our power to make sure that the uranium industry remains under Canadian ownership and protection. In any event I am pleased to see the shift away from petroleum to uranium as a source of energy. The use of such clean energy surely will meet most of the objections of the environmentalists and conservationists. More important, energy generated this way is practically inflation proof.

Speaking as a Canadian, I would not be comfortable in thinking that our uranium industry might pass into foreign hands. I know that there is a large element of foreign investment in our uranium industry. I would not willingly accept our uranium industry passing into the hands of multi-national petroleum companies. Such control would challenge the economic independence of Canada. We simply cannot allow it. It seems to me that if those holding an interest in the uranium industry wish to sell their interest, the government should be the buyer. We should buy those facilities. So important is uranium, that it ought to be considered as a public utility. I would be prepared to go even further and have some agency of government, perhaps the Canadian Development Corporation or some similar agency, granted terms of reference which would allow it to engage actively in uranium exploration. The government ought to be involved in that area.

I was pleased to see the government's intention to establish Petro-Canada expressed in the Speech from the Throne. I want the government to proceed with this immediately. It should give this Crown corporation a mandate which will allow it to operate effectively as a significant factor in the energy field. I want the corporation to be involved in the exploration for petroleum, in the proving up, in basic refining, and perhaps involved in the manufacture and selling of petroleum derivitives, although that role may not have been envisaged for Petro-Canada.

When we talk of inflation we naturally talk of items which have increased very greatly in price. I am thinking of fertilizer, clothing and so on. There is always one factor that is common to all such items: they are all petroleum based, or made from petroleum derivitives. It seems to me that if we are concerned about profiteering, we might look at the marketing practices of petroleum companies. Here I am thinking of the marketing of petroleum derivitives. That might be the logical area for Petro-Canada to be involved in. Contrary to what many suggest, I do not see Petro-Canada being involved in the retail end of the business.

The people now retailing petroleum products are among the most efficient operators in our economy and I do not think the government should compete with them. Surely we could give Petro-Canada, or an agency like it, a mandate strong enough to enable it to make its presence felt in the petroleum business, particularly in the Canadian far north where the federal government has jurisdiction under the constitution.

I should like to see Petro-Canada being given another role as well. We should consider allowing Petro-Canada to be involved in marketing. If it is necessary for us, for the sake of eastern Canada, to enter into long term commitments with, say, Venezuela or any of the multinational petroleum producers, I think Petro-Canada would be the logical agency of government to do so on behalf of all Canadians.

May I introduce another thought about energy, a thought which has not been given as wide a presentation as it deserves. I am talking about the efficient utilization of energy. It seems to me, when we talk of energy use in Canada, that we are talking about a three part equation; the availability of energy, the price of energy and the distribution of energy. I think Canada probably has available more energy per capita than any other country in the world. We are not concerned so much about energy shortages as about using up very low priced energy currently available to us. Traditionally, our energy has been cheap. Probably less than 3 per cent of the cost of production is tied up in energy, and about 5 per cent of disposable income is spent on it. We have never thought very much about how we can use energy most efficiently.

Let me put forward this thesis. Every percentage point by which we increase the efficiency of our use of energy will mean that that much more energy will remain available to us at a lower price. I am not saying that we need to run out of energy. Increasing its efficient use will make available more energy at a lower price for home and industry. Consider all the energy now being used in Canada for transportation and other purposes. At present we are converting to energy only about 40 per cent of the resource we take from the ground. Surely we can use our engineering and design expertise to create equipment which will do a better job than existing equipment. I like to think that we can create equipment which will do the same job but use 25 per cent less energy.

Certain parts of the world, including the United States, have become concerned about energy shortages. Governments have tried to instil what I call a conservation ethic into their people. Governments want people to adopt a fundamentally changed lifestyle and use less energy. So far most of these programs have failed. It seems to me we need, through better engineering and design, to create better equipment. With superior engineering we can still retain our present standard of living, protect the environment, and retain the current productivity of industry, even though we use less energy.

I suggest that there is a definite role for the federal government in this field. The minister, whom I observed last night on television, said that something must be done to conserve petroleum. I submit that the efficiency with which we use it is equally important. It is not so much that industry does not respond to a conservation program; mainly it is a case of good equipment which will save energy not being available.

As I say, we can save a great deal with improved design. Has anyone stopped to think of the tremendous amount of energy which goes through a ventilation system and is expended, and of the energy which is lost through waste water? This heat, which is a form of energy, could be reclaimed.

I think the government should provide leadership and encourage good design. The tax structure should encourage the installation of more efficient equipment. This should be made more attractive.

After all, we have done this for the environmentalists. During the past few years there has been concern in Canada about the quality of the environment, and we have directed industry to clean up and, in some cases, to use higher quality fuel. We have made it possible through the tax structure for improved equipment to be installed. Now the argument has swung the other way and we are concerned about energy conservation. I suggest that concern about energy perhaps is equally important, or even more important. Perhaps we could use some of the tax incentives that were used to promote the aims of the environmentalists to promote conservation of energy.

● (1650)

I like to think that the government, through its research activities and programs, will be substantially involved in trying to improve the efficiency by which electricity is generated. Possibly by the year 1990, and definitely by the year 2000, 25 to 30 per cent of all energy used in Canada will be used solely to generate electricity. Just think what a boon a 5 per cent improvement in how we generate electricity would be and how we use our resources.

When we talk about heat efficiency it is really the relationship of the amount of energy we use to generate it versus the amount of electrical energy that is generated. There is a lot of room for improvement. Most of this relates to the metallurgical process in terms of the degree of heat that available metals today will stand. I think this is a very useful area in which the government should be involved.

When we talk about concern where there is a large national interest, it may be that some of the leverage the government has should be used. The government should take a very serious look at the Canadian building code. We build acres and acres of large industrial buildings, and we call for very little or minimum insulation in any of them. We do not have a concerned attitude about making buildings energy efficient in terms of the amount of insulation. To do so would really only increase the cost by a very small percentage. In terms of improving the thermal capabilities of the building, we are talking about a small amount of money.

While the building code must apply with a very broad application and to many concerns, there is still room for improvement.

I would like to see the government go further in terms of publishing comparative data on equipment that is often used by major users of energy. I think, for example, of air conditioners. My information is that some air conditioners are as much as 30 per cent more efficient in terms of energy utilization than others. Surely this should be a concern of the manufacturing and producing sectors. The government can perhaps play a role in that area.

I wish to make one or two other points in speaking of energy. In terms of the broad problem we are dealing with and the importance of it, I have often wondered about giving some thought to our export contracts. Canada and Canadians have a great vested interest in terms of energy export contracts. There are those who say these should be phased out, there should be higher prices, and so on. There is some validity in that. There is also concern that we may seriously damage the United States economy by so doing. We have a very great vested interest in that. We must also consider that we import a considerable amount of energy from the United States in the form of coal for Ontario.

The United States are in a very critical position at this time in relation to energy. They have vast reserves of petroleum on the North Slope. We might explore with our American friends some means of allowing them to use more of our resources at this time, if those resources are replaced by others as they are developed on the North Slope. We would pay the same price as that at which we are now exporting to the United States. This would be of some help to their critical problem. It would preserve one of the great advantages our industrial base should have, namely, medium or low priced energy for its use. If we could negotiate some type of arrangement like that it would be in the best interests of both countries.

There is one other point about which I feel very strongly. It concerns government allotments in the budget for research. Every Canadian can, and should stand just a little bit taller because of the tremendous success of CANDU. However, we should not stop here, pause, and say we have done a good job. There is much more to do. We need to move quickly into the area of breeder reactors. I would like to think that Canada could be one of the world leaders in terms of research, and prototype engineering the establishment of fusion. Whichever gets to the threshold first will be the country with a future that will be envied by all nations. It is the type of country I want Canada to become.

I notice my time is almost up. I wanted to put forth some very strong views about the MacKenzie Valley pipeline. I had hoped I would have time to talk about the food problem I raised earlier. I wanted to comment on what I think are some of the problems facing that industry, and what I think is the relationship that marketing boards

should have to producers and consumers. However I hope I will have the opportunity to rise again in this House to put forward these points of view.

Mr. Baker (Grenville-Carleton): I notice, Madam Speaker, it is five o'clock. I wonder if we might call it five o'clock and move the adjournment of the House until Monday.

[*Translation*]

The Acting Speaker (Mrs. Morin): Order, please. It being five o'clock, pursuant to an order made by the House earlier today, this House stands adjourned until two o'clock Monday afternoon.

At five o'clock the House adjourned, without question put.

HOUSE OF COMMONS

Monday, October 7, 1974

The House met at 2 p.m.

[*French*]

HOUSE OF COMMONS

CORRECTION IN ORDER PAPER AND NOTICES

Mr. Speaker: Order. In view of the special order passed last Friday, the Chair feels that the orders of the day, as published on page 7 of the order paper, should be modified and read as follows:

1. Questions on Order Paper.
2. Oral Questions.
3. Government Orders.
4. Address Debate.
5. Private members' business (From 5 to 6 p.m.)

In addition, at ten o'clock this evening, debate could be held on the motion for adjournment.

ROUTINE PROCEEDINGS

[*English*]

STANDING COMMITTEES

Hon. Mitchell Sharp (President of the Privy Council) presented the second report of the special committee appointed to prepare and report lists of members to compose the standing committees of the House, in both official languages, as follows:

LIBRARY OF PARLIAMENT

Messrs.

Bussières	Lapointe	O'Sullivan
Condon	MacDonald (Egmont)	Pinard
Daudlin	MacKay	Reid
De Bané	Maine	Roche
Fortin	Mitges	Symes
Jelinek	Nicholson (Miss)	Tessier
Lachance		Wenman
Lambert (Edmonton West)		

PRINTING OF PARLIAMENT

Messrs.

Allard	Forrestall	Patterson
Andres (Lincoln)	Francis	Pelletier (Sherbrooke)
Appolloni (Mrs.)	Grafftey	Pinard
Clarke (Vancouver Quadra)	Holt (Mrs.)	Raines
Daudlin	Loiselle (Chambly)	Reid
Ellis	Maine	Reynolds
Epp	Marshall	Rodriguez
	Parent	Symes

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Messrs.

Balfour	Hnatyshyn	Marceau
Béchard	Laprise	McCleave
Brewin	Lawrence	Poulin
Fox	MacGuigan	Robinson

Your Committee also recommends that the Members to serve on the Joint Committee on the direction of the Parliamentary Restaurant be as follows:

Messrs.

Allard	Isabelle	Roberts
Bégin (Miss)	Langlois	Roy (Laval)
Crouse	Lumley	Schumacher
Gauthier (Ottawa Vanier)	McKinley	Skoreyko
Gilbert	Munro (Esquimalt-Saanich)	Stewart (Cochrane)
Guay (St. Boniface)	Neil	Stollery
	Paproski	

And your Committee also recommends that a Message be sent to the Senate requesting that House to unite with this House in the formation of the Joint Committees on Printing, the Library of Parliament, Regulations and other Statutory Instruments and the direction of the Parliamentary Restaurant and that the Members to serve on each of the said Committees on the part of this House will be as contained in this report.

[*Later:*]

Mr. Sharp moved that the report be concurred in.

Motion agreed to.

* * *

TRANSPORT

SUGGESTED BILINGUAL REQUIREMENT FOR SEAWAY PILOTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to ask permission of the House to move a motion under Standing Order 43 seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie) that:

In view of English being the language of international marine communication, the House instructs the government, and in particular the Department of Transport, to take all necessary action toward preventing the Crown corporation known as the Laurentian Pilotage Authority, from making any attempts to institute a bilingual requirement for pilots on ships in the St. Lawrence seaway.

Mr. Speaker: The House heard the motion presented pursuant to Standing Order 43 which requires the unanimous consent of the House. Is there unanimous consent to receive the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

SUGGESTED NEED FOR IMPROVED TRACK MAINTENANCE BY RAILWAYS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to propose a motion on a matter of urgent and pressing necessity. This matter is the disclosure in the third report of the Railway Transport Committee of the Canadian Transport Commission that derailments on the CNR and CPR in 1972 were triple the 1959 derailments and double the 1969 derailments; and that deaths and injuries from these derailments can only accelerate. The Transport Board proposes to reduce load weights and load heights, thus so further decreasing the performance record of these railways, "unless improved programs and standards of track maintenance are immediately undertaken to eliminate the causes of such derailments." I therefore move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this House, under its powers in the Railway Act, urges the government to order the CNR and the CPR forthwith to institute improved programs and standards of track maintenance so that these railways will fulfil their subsidized function of serving the Canadian public in a safe and efficient manner.

Mr. Speaker: Order, please. The House has heard the motion proposed pursuant to Standing Order 43 which requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent the motion cannot be put.

* * *

● (1410)

BUSINESS OF THE HOUSE

PROCEDURE IN DEALING WITH LEGISLATION RELATING TO GRAIN HANDLERS

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I move, seconded by the hon. member for Peace River (Mr. Baldwin):

That, during the debate on the motion for second reading of the bill intituled 'An Act to provide for the resumption of grain handling operations on the west coast of Canada', no member except for the first representative of each party shall speak for more than 20 minutes.

[Mr. Cossitt.]

And that the House shall not adjourn this day until the second reading stage of the said bill shall have been disposed of.

Mr. Speaker: The House has heard the motion. Is this agreed?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, to my knowledge there have been discussions about the first part of the motion, namely, that speeches after the first round shall be limited to 20 minutes each. We have indicated our readiness to agree to that proposal, but I know of no conclusive discussions on the proposal that we sit without time limit beyond ten o'clock.

Mr. Woolliams: Don't you want to end the strike?

Mr. Knowles (Winnipeg North Centre): Yes, of course, and we are prepared to take a vote at ten o'clock or even as late as eleven o'clock. I suggest that the motion be revised, and that the part limiting speeches to 20 minutes after the first round be agreed to now, but that the question of whether we shall sit beyond ten o'clock be left for further consultation.

Mr. Speaker: Order, please. We must be perfectly clear. The motion cannot be put without unanimous consent. This does not involve any question of coming to an agreement. The motion cannot be put in its present form without the unanimous agreement of the House. Is it agreed that the motion be put now?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker. We think this should be the subject of further consultation.

Mr. Speaker: Then, if there is not unanimous consent, the motion in its present form cannot be put. Perhaps at the end of the question period I may inquire whether the latter part of the motion could be deleted. It might then be put.

Mr. Baldwin: On a point of order, Mr. Speaker, perhaps while members of the NDP are making up their minds about how long they want to talk in this debate, we could agree now on limiting speeches to 20 minutes. Could there not be an order of the House limiting speeches, after the first speakers on behalf of the government and the main opposition party have spoken, to 20 minutes. That would give the other parties a chance to consider this issue.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, the members of the Social Credit party are in total agreement with the first part of the motion. But, in view of the fact that similar situations were not settled to the advantage of the parliamentarians, I feel the last part of the motion should be set aside and discussed more fully before being passed.

[*English*]

Mr. Speaker: To be quite clear, does the House agree to the following motion:

That, during the debate on the motion for second reading of the bill intituled 'An Act to provide for the resumption of grain handling operations on the west coast of Canada', no Member except for the first representative of each party shall speak for more than 20 minutes.

Some hon. Members: Agreed.

Motion agreed to.

* * *

WEST COAST GRAIN HANDLING OPERATIONS ACT, 1974

MEASURE TO SECURE THE RESUMPTION OF OPERATIONS

Hon. John C. Munro (Minister of Labour) moved for leave to introduce Bill C-12, to provide for the resumption of grain handling operations on the west coast of Canada.

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

Mr. Speaker: When shall this bill be read the second time, later today?

Some hon. Members: Agreed.

* * *

NORTHERN CANADA POWER COMMISSION ACT

AMENDMENTS TO CONSTITUTION AND POWERS OF COMMISSION

Hon. Jean Chrétien (for the Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-13, to amend the Northern Canada Power Commission Act.

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

* * *

[*Translation*]

FEDERAL BUSINESS DEVELOPMENT BANK ACT

MEASURE TO ESTABLISH CORPORATION

Hon. Mitchell Sharp (President of the Privy Council) moved to introduce Bill C-14, intituled "An Act to incorporate the Federal Business Development Bank".

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

* * *

INDIAN OIL AND GAS ACT

MEASURE RESPECTING LEASES, LICENCES AND ROYALTIES

Hon. Jean Chrétien (for the Minister of Indian Affairs and Northern Development) moved to introduce Bill C-15, intituled "An Act respecting oil and gas in Indian lands".

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

[*English*]

Mr. Alexander: Mr. Speaker, I rise on a point of order. I notice that the bill to be introduced by the Minister of Labour (Mr. Munro) has been approved for second reading. After having made some inquiries as to whether it is possible that the bill be distributed at this time, I wonder whether in fact this could be expedited for the benefit of all hon. members.

Mr. Speaker: We were concerned about that. I understand steps have been taken to distribute copies of the bill forthwith.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

PARTICIPATION OF MINISTER OF FINANCE IN CONSULTATIONS WITH INTERESTED GROUPS ON PROPOSALS TO FIGHT INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to ask the Minister of Finance whether he is participating in the series of consultations with the principal groups in our society with regard to defeating inflation, as mentioned in the Speech from the Throne. Is the minister participating in those consultations?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker.

● (1420)

FORM AND PURPOSE OF CONSULTATIONS WITH INTERESTED GROUPS ON PROPOSALS TO FIGHT INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Finance what is the structure of the consultations in which he is participating and whether he is putting forward specific proposals, for example to strike a fair balance between wages, prices and profits in the economy. What is the structure, what is the form of the consultations, and what does the minister intend to propose?

Hon. John N. Turner (Minister of Finance): The hon. gentleman was good enough to quote from the speech I made in Vancouver. I can tell him that at the moment the structure of the consultations is informal. When they reach a more concrete form, either I or the Prime Minister will define it on a future occasion.

Mr. Stanfield: In the light of the speech the minister made in Vancouver to which he has referred—

Mr. Turner (Ottawa-Carleton): To which you referred!

Mr. Stanfield: Well, we both referred to it. I should like to ask the minister whether the purpose of his consultations is to achieve an agreement which would constitute some kind of guidelines. Is that the purpose of the consultations? Or is it all a deep secret—merely a move to cover up confusion and ignorance on the part of the government and to buy time?

Mr. Turner (Ottawa-Carleton): The government's policy has been clear enough to ensure it a new mandate

before this parliament. As to the nature of the consultations, that policy has been laid forth taking into account the new aspects of inflation which, as the hon. gentleman will recognize, have become more severe. I refer to adverse crop conditions in this country and elsewhere and the prolonged resistance of commodity prices in reflecting the downturn in the economy of some of the major countries in the world, added to the quadrupling of oil prices. All this means that inflation is more embedded and its solution will mean a more protracted effort on the part of this country, as well as other countries, than any country had anticipated six months ago.

In this context I am putting the facts forward—as are the Prime Minister and others of my colleagues—to the various components of the economy to see whether we can, on the basis of the policy we are advancing, reach a consensus as to the best way of dealing with the situation.

* * *

INDUSTRY

UNITED AIRCRAFT—SUGGESTED NATIONALIZATION OF COMPANY—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. In view of the right hon. gentleman's agreement last week to consider the proposal put forward on behalf of the New Democratic Party by the hon. member for Winnipeg North, namely, to nationalize the United Aircraft Company whose workers have been on strike for about nine months now, is the Prime Minister in a position today to inform the House what the government intends to do about this important question?

Right Hon. P. E. Trudeau (Prime Minister): Not today, but I should like to point out that as a matter of principle I shall consider all suggestions put to me seriously by members of the other parties; it is in that spirit I said I would consider the proposition put forward by a member of the hon. gentleman's own party. It would obviously be a mistake to assume that every time I consider a suggestion it will be carried out in practice.

Mr. Broadbent: Mr. Speaker, I want to assure the Prime Minister that I am under no illusions about the latter point. Given the government's own activities in the aircraft field, specifically referring to de Havilland in Toronto, given the fact that the conditions provided the workers in that industry in Toronto will remain even better than those at United Aircraft if the workers on strike there have their demands met, and also given the government's development of, and plans for, the STOL industry, which has obvious implications for integrating these two companies, would the Prime Minister give the House the assurance that, whether or not he takes what I regard as the right course of action, by the end of this week he will tell us what the government plans to do one way or the other?

Mr. Trudeau: Mr. Speaker, if I followed the intent of the question correctly, the answer is that I will not accept that particular suggestion. It is not the policy or the practice of the government to attempt to solve labour disputes within provincial jurisdictions by taking over companies.

[Mr. Turner (Ottawa-Carleton).]

Mr. Speaker: The hon. member for Oshawa-Whitby may ask a final supplementary.

Mr. Broadbent: Just a final supplementary question, Mr. Speaker. To clarify the situation for the Prime Minister, I was not suggesting that he solve labour disputes by taking over the industry. I was raising the economic question of integrating two firms, one by the government of Canada and the other by a firm in the United States, in order to fulfil certain economic objectives that the government itself has stated it wants to fulfil.

The question that I am asking the Prime Minister is an economic one. To facilitate that objective of the government, would the government consider taking this course of action so as to carry out its own program?

Mr. Trudeau: Mr. Speaker, the hon. member is repeating very much the substance of the question that I answered the other day. I want to make clear that it should not be inferred from that answer that we will settle labour problems by any form of nationalization.

* * *

[*Translation*]

SOCIAL SECURITY

GRANTING OF PENSIONS TO WIDOWS AT AGE 60—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a question of the hon. Minister of National Health and Welfare.

A bill will shortly be introduced to grant old age pensions to wives who are 60 years old. I receive many letters from female senior citizens who want to know if those who are widows will be included in the bill granting a pension to all women aged 60 and over.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the minister responsible for the status of women, I should like to point out to the hon. member that this bill does not apply only to the wives, but to any spouse aged between 60 and 65 who needs assistance. The purpose of the bill is clearly stated. This legislation will apply only to the spouse and will obviously not apply in cases where one of the spouses is not yet 65 years old.

Mr. Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary.

If one of the spouses is dead, would this mean that the surviving spouse who is 60 years old will not be entitled to the benefit of this new social legislation? If the spouse will not be entitled to this pension, how will she be treated and how can she be respected as a human being?

Mr. Lalonde: Mr. Speaker, if the spouse over 65 years old is dead, the survivor is called a widower or a widow and not a spouse and will not be covered by this legislation. In this case, the answer would lie in the guaranteed

income plan about which we are agreed and a supplementary income plan for those who can earn a living.

Mr. Caouette (Témiscamingue): A last supplementary, Mr. Speaker.

When the minister talks about a guaranteed annual income does he mean that he will copy the Social Crediters' program?

Mr. Lalonde: Heaven forbid, Mr. Speaker.

* * *

[*English*]

CONSUMER AFFAIRS

MONITORING RETAIL STORES TO ENSURE CONSUMERS BENEFIT FROM REMOVAL OF SALES TAX ON CLOTHING AND FOOTWEAR—GOVERNMENT ACTION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In light of the Prime Minister's statement after the election that the Department of Consumer and Corporate Affairs had been instructed to monitor retail stores to ensure that the reduction in the federal sales tax on clothing and footwear is passed on to consumers, I wonder whether the minister would briefly inform the House what action in this regard has been taken to date.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Officials of my department have already met with representatives of private industry. Within a few days I shall send a letter to the presidents of all companies involved. I wish to assure the House that some work is being done in that regard. I announced that a complete report on that matter will be submitted to the Minister of Finance before the end of the year.

● (1430)

[*English*]

Mr. Lawrence: Mr. Speaker, am I to understand then that so far there has been no monitoring by the department itself in this respect?

[*Translation*]

Mr. Ouellet: There has been some already, Mr. Speaker.

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question supplementary to that posed by the hon. member for Northumberland-Durham. Are officers of the Department of Consumer and Corporate Affairs actually monitoring the retail trade in Canada to ensure that the tax decreases on clothing and footwear are in fact being passed on to the consumer?

[*Translation*]

Mr. Ouellet: The answer is yes. Such work, the matter of more than a single day, has begun and will extend over a period of weeks. Interested companies were asked to supply information and figures, in order to check that this decrease is indeed passed on. As soon as the work is completed, a report will be submitted to the Minister of Finance. I expect this will take place at the end of the year.

* * *

[*English*]

TRANSPORT

SUGGESTED REMOVAL FROM REGULATORY BODY RESPONSIBILITY FOR INVESTIGATING ACCIDENTS—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, in view of the very serious difficulties in conducting the coroner's inquest at Frobisher Bay into a tragic accident a couple of years ago, would the Minister of Transport give some indication as to whether he will now, at the earliest possible opportunity, introduce legislation separating from the regulatory body the responsibility for investigation in respect of transportation accidents in Canada and other related safety procedures and matters?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I hope we can do this during this present session.

* * *

CONSUMER AFFAIRS

DATE OF INTRODUCTION OF LEGISLATION REGULATING COMPETITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in view of the statement by the previous Minister of Consumer and Corporate Affairs that stage two of the governments so-called competition legislation would likely be introduced by the end of this year, could the minister indicate to the House if that is still the schedule, and when does he plan to introduce the legislation?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, evidently when my predecessor spoke about that schedule, he was not taking into consideration a general election this summer. I have already announced that before proceeding with stage two of that legislation, there would be some intensive consultations with the parties concerned. With my parliamentary secretary and some officials of my department I will be meeting those concerned before the second stage which will surely not be completed before the end of this year.

[*English*]

Mr. Stevens: Mr. Speaker, my supplementary question is directed to the same minister. With unemployment being projected for this time next year at 7.8 per cent, and with prices along with interest rates continuing to soar, will the minister indicate whether he plans to introduce legislation which will lessen rather than add to the regulatory harassment of business, especially of small businessmen in Canada, in order that businessmen in general can get on with creating jobs and productivity in the hope that prices will come down as a consequence?

[*Translation*]

Mr. Ouellet: I do not see any relation between the premises of the hon. member's comments and his conclusions. It is essential, Mr. Speaker, to have a bill granting Canada a really fair and efficient competition. It is extremely important to have such a legislation on competition which will really protect small companies.

* * *

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR ANNOUNCEMENT PRIOR TO BUDGET OF PROPOSALS TO CURB UNEMPLOYMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I direct my question to the Minister of Finance, and I should like to welcome him back in order that he may answer some domestic questions. In view of the fact that economists now predict an unemployment rate of nearly 8 per cent for early 1975, which will result in the loss of billions of dollars in productivity in Canada, is it his intention before his budget to announce new proposals which will turn around the anticipated increase in unemployment?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, without accepting the import of the preamble to the hon. gentleman's question, what I have to say will be said on budget night. I would caution the hon. gentleman if he thinks that domestic problems in this country can be solved outside the international context.

* * *

FINANCE

REDUCTION OF MORTGAGE INTEREST RATES—MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in view of layoffs in the lumber industry, particularly in British Columbia and Quebec, along with recent declines in housing starts, does the minister now intend to instruct banks and financial institutions to lower their mortgage rates in respect of new residential housing in this country?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think I have answered that question on several occasions, particularly in response to the hon. member for Oshawa-Whitby, who now enjoys the position of leader of his party.

* * *

RESEARCH

NEED FOR ADDITIONAL FUNDS IN MEDICAL FIELD—NUMBER OF SCIENTISTS LEAVING CANADA BECAUSE OF LACK OF FUNDS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, in light of the commitment of the Minister of National Health and Welfare in the committee on April 4 of this year to do everything he could to provide the medical research council with additional funding in the order of $2.5 million this year, can he now advise the House whether he has yet found the funding required or, failing that, what progress he has made to date to locate this very necessary amount of money?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am sorry I have to answer the hon. member that I have not yet found the funds she mentioned but, as I did in April, I will continue to do my best to locate them somewhere.

[*English*]

Miss MacDonald (Kingston and the Islands): Mr. Speaker, could the minister advise the House whether there has been a tabulation of the number of Canadian medical scientists who have been forced to leave Canada this year to carry on their research elsewhere because of the lack of funds available through the medical research council?

[*Translation*]

Mr. Lalonde: Mr. Speaker, unfortunately, at least to my knowledge, no such study has been made. There are difficulties in assessing the causes why, in specific cases, scientists choose to move. I will inquire whether such a study has been made and try to get that information.

* * *

[*English*]

URBAN AFFAIRS

REQUEST FOR STATEMENT OF GOVERNMENT POLICY IN RESPECT OF GREEN SPACES IN CITIES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in view of the statement yesterday by the Minister of State for Urban Affairs about trade-offs in respect of green spaces in Canadian cities, will he inform the House how this trade-off principle will affect specifically the experimental farm in the city of Ottawa and the greenbelt surrounding it, and indicate whether the government is now actively planning to intrude development into these areas?

Hon. Barnett J. Danson (Minister of State for Urban Affairs): Mr. Speaker, I was just speaking about the general picture in Canada, trying to make people aware of the necessary considerations we have in attempting to deal with growth in our cities. Certainly, the city of Ottawa in particular has to be treated with special sensitivity. There will be further discussions on this subject before the special joint committee of the House and Senate announced in the Speech from the Throne, and in respect of other reports which are forthcoming. This will give us ample opportunity to deal with the member's concerns, which I share.

Mr. Baker (Grenville-Carleton): Mr. Speaker, in view of the importance of the matter, as recognized by the minister, would he be prepared to make a statement on motions at the earliest opportunity to clarify what he and the government mean in respect of the diminution of the very precious green spaces in the urban areas of this country?

Mr. Danson: First of all, Mr. Speaker, this government means business. There will be ample opportunity to discuss the area of the national capital before the committee. I do not think it necessary to make a statement on motions. This is an ongoing discussion with provincial and municipal officials as well as other people in Canada. Certainly, we have to treat this with great sensitivity, and I put as high a priority on parks and recreation as on any other element in the housing field.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the minister who has just taken his seat. I am sure he is very anxious to get on with his job of providing more housing, and I will co-operate with him in that regard. I should like to ask him to please keep his hot little hands off any open spaces that exist in the city of Halifax.

* * *

● (1440)

HOUSING

SUGGESTED REDUCTION OF INTEREST RATES TO STIMULATE CONSTRUCTION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to put a question to the Minister of State for Urban Affairs, but first may I say that on Sunday a new television star was born.

Some hon. Members: Hear, hear!

Mr. Woolliams: I should like to ask the minister what special program he has in mind to either lower or subsidize interest rates for builders on conventional mortgages—and I hope he heard the phrase "conventional mortgages"—in an effort to increase housing construction. On television he admitted there was a housing problem. When I posed this question on October 2 he mixed that up with the Assisted Home Ownership Program. I hope he will now answer my question directly regarding conventional mortgages to developers.

Hon. Barnett J. Danson (Minister of State for Urban Affairs): The interest rates are not a phenomenon created by this government or in existence only in this country. Governments do not set interest rates in a vacuum; they respond responsibly. We certainly have and intend to take care of those most in need to the best of our abilities. The AHOP Program has been extremely successful. We cannot manufacture artificial interest rates for special groups but we can when we recognize a subsidy as a subsidy, and we provide it where it is most needed to get the most value for the taxpayers' money.

Some hon. Members: Hear, hear!

URBAN AFFAIRS

LAND DEVELOPMENT—CONTROL BY GENSTAR LIMITED, CALGARY—GOVERNMENT ACTION

Mr. Eldon M. Woolliams (Calgary North): In the light of those facts, and in the light of the fact that we are trying to get the cost of housing down for the average Canadian, may I ask now whether the minister discussed with the Minister of Consumer and Corporate Affairs the matter of Genstar Limited, a company which now controls more than 60 firms in Canada and is developing major centres, and particularly in reference to the city of Calgary regarding which there is now a confidential report showing that the firm controls the major development of that city and owns the land surrounding it. Has the minister discussed with the Minister of Consumer and Corporate Affairs reporting the matter to the combines investigation branch?

Hon. Barnett J. Danson (Minister of State for Urban Affairs): I have not discussed it specifically with the minister. I have asked for a report from my own officials after I read the report in this morning's paper, but I am sure that if the hon. member will have his colleagues co-operate in the passage of the Combines Investigation Act, we will have more opportunity to deal with these situations.

* * *

[*Translation*]

AGRICULTURE

DAIRY POLICY—POSSIBILITY OF INCREASE IN SUBSIDY

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, may I put a question to the hon. Minister of Agriculture.

In view of a considerable increase in production costs in the dairy industry, particularly in recent months, will the minister tell the House whether the government's dairy policy will be revised soon and whether subsidies will be raised to reflect higher production costs?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the National Dairy Commission, the dairy industry and dairy producers are working on the development of a national dairy policy in this country. With regard to what the hon. member has stated about input costs, we are aware of the input costs to which dairy farmers are being subjected, but I am not prepared to state what, if any, extra subsidy to dairy farmers will be granted at this time.

* * *

FINANCE

MEASURES TO ENCOURAGE HOME OWNERSHIP—GOVERNMENT POSITION

Mr. Heward Grafftey (Brome Missisquoi): Mr. Speaker, while the Minister of Finance was in Washington attending a most important conferences last week, it was reported here in Canada that housing starts were down drastically, so I wish to put the following question to the

minister. Is he seriously considering giving incentives to encourage home ownership in Canada?

Hon. John N. Turner (Minister of Finance): We encouraged those in the last budget which the hon. gentleman's party succeeded in defeating but which the people of Canada reinstated.

An hon. Member: Not yet.

Mr. Turner (Ottawa-Carleton): There were further commitments from the Prime Minister during the election campaign, and I am in constant touch with my new colleague, the Minister of State for Urban Affairs, as to how to achieve the results which I am sure the hon. gentleman wants to have achieved.

* * *

TRANSPORT

NEED FOR SAFETY MEASURES ON RAILWAYS—GOVERNMENT ACTION

Mr. Elmer MacKay (Central Nova): I have a brief question for the Minister of Transport. Keeping in mind that railway accidents are continuing to increase in this country and in every year since 1969 at least 1,200 railway employees have been injured and approximately 20 killed in the performance of their duties, what steps does the minister propose to take as the responsible minister to bring an end to these conditions and to force the railways to improve safety programs? I hope that in his answer the minister will not bring in the old chestnut and refer to the CTC.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think that the CTC—

Some hon. Members: Oh, oh.

Mr. Marchand (Langelier): Mr. Speaker, as you know we are conducting an inquiry each time there is an accident. I know that many members of this House have complained about the efficiency of the system within the department, not only with regard to train accidents but with regard to other accidents as well. I hope we will have a more efficient set up. I do not know whether it will decrease the number of accidents, because of course no country has succeeded in doing that in the past, but I hope we can improve our record.

* * *

[*Translation*]

AGRICULTURE

SUGAR BEETS—DELAY IN HARVESTING CAUSED BY STRIKE AT SAINT-HYACINTHE PLANT

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to ask a question of the Minister of Consumer and Corporate Affairs.

Following the labour dispute at the Saint-Hilaire sugar refinery, the management has sent to the sugar beet producers of the region a letter advising them to stop harvesting for the time being, and consequently some 25 million pounds of sugar may be lost. What step does the minister intend to take and how does he intend to proceed with the help of his colleague, the Minister of Agriculture so as to protect the interests of both producers and consumers?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am pleased to take notice of this question. I will hasten to give it consideration and reply soon to the hon. member.

ESTABLISHMENT OF NATIONAL SUGAR POLICY

Mr. Claude Wagner (Saint-Hyacinthe): I would like to put a supplementary to the Minister of Agriculture, Mr. Speaker.

Following the numerous requests already received in this connection, can the minister assure the House of the government's intention to draft a national sugar policy in Canada, a policy based upon adequate tariff protection and upon a production quota provided to sugar beet producers?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): I answered that question last week at which time I said I would be submitting a paper to my colleagues very shortly.

* * *

POST OFFICE

GOVERNMENT ACTION TO IMPROVE SERVICE

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, first I would like to congratulate the Postmaster General on his new appointment. My question to him is as follows. In view of the shambles existing in the Post Office, and in particular the recent mail test conducted by the Calgary *Herald* which showed that 86 per cent of letters and parcels mailed from Calgary to points across Canada arrived late or not at all, will the minister tell the House what steps he has taken to provide a proper mail service which Canadians and especially Canadian businesses badly need?

Hon. Bryce Mackasey (Postmaster General): I accept the hon. gentleman's kind words but not his allegation. The postal code is in extensive existence in only two locations, one is Calgary and the other Ottawa. It is an admitted fact that there have been some problems in the city of Calgary which I think will straighten themselves out. However, I must warn the House that the introduction of any form of automation in an organization as large as the Post Office is bound to have some disruptive effects, and that is what we are trying to straighten out.

CONSUMER AFFAIRS

ALLEGED MISLEADING ADVERTISING BY POST OFFICE DEPARTMENT—GOVERNMENT ACTION

Mr. Peter C. Bawden (Calgary South): I have a supplementary question for the Minister of Consumer and Corporate Affairs. In view of the shockingly bad mail service being provided to the consumers of Canada, would the minister tell the House whether he will take steps to prevent further misleading advertising by the Post Office which advises Canadians that assured mail service will provide next day delivery to designated locations in Canada?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I can assure all Canadian consumers that, in spite of the hon. member's remarks, the Canadian postal service, when compared with those of other countries, ranks among the best.

* * *

● (1450)

[*English*]

CANADIAN NATIONAL RAILWAYS

SUGGESTED IMPROVEMENTS IN SERVICE—GOVERNMENT ACTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, a question for the Minister of Transport. Recently the minister indicated that the government soon intends to introduce far reaching reforms to greatly improve passenger service on our railways. Those reforms will cost a great deal of money. Would the minister undertake to get them started now at no cost to anybody by asking the President of the CNR to ensure that air conditioning in railway cars works regularly instead of spasmodically as it does now when people arrive at their destination exhausted after travelling in 85 degree temperatures? Would he also ask him to provide meals to the point where they have some slight resemblance to the excellent meals that used to be served on railway dining cars?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am going to forward the hon. member's personal request to the president of the CNR.

* * *

INDIAN AFFAIRS

OWNERSHIP OF TOW PATH ALONG GRAND RIVER

Mr. Derek Blackburn (Brant): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. What action is his department going to take to settle the long standing jurisdictional dispute over the ownership of the tow path along the Grand River which has irritated the Six Nations Indians for far too long?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I should like to thank the hon. member for advising me of his question. I have looked into the matter and discovered that the answer will require a considerable amount of research in the archives. I expect to have the information later this week and will make it available then.

* * *

ENERGY

EXTENSION OF PIPELINE FROM SARNIA TO MONTREAL—DATE OF COMPLETION—CONTINGENCY PLANS IN EVENT OF OIL SHORTAGE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Since last year at this time it was thought extremely urgent that Canada should build an extension of the pipeline from Sarnia to Montreal can the minister, in spite of the predictions at that time, now advise the House when tenders are going to be called? Can he also advise the new projected date of completion and give the House any other factual information he has at this time?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member may not be aware that the construction of pipelines in Canada is covered by the National Energy Board Act. An application has been submitted to the board by Interprovincial Pipe Lines but with the intervention of the province of Quebec the hearing was adjourned until a new right of way could be worked out. This has been done and the hearing will recommence on October 9. It is expected that if the decision of the board in that case is favourable, construction may commence either in the balance of this fall or the early spring, to be completed in early 1976 or mid-1976.

Mr. Lambert (Edmonton West): Mr. Speaker, was the date 1976 or 1977?

Mr. Macdonald (Rosedale): Mr. Speaker, the original date was the fall of 1975 but because of the intervention of Quebec it is now mid-1976.

Mr. Lambert (Edmonton West): A supplementary question, Mr. Speaker. In the event of certain conditions being applied this winter as they may have applied last winter, does the government have any contingency plan ready so that if there is an interruption in the delivery of offshore oil the people of eastern Canada will not suffer a shortage?

Mr. Macdonald (Rosedale): Mr. Speaker, last year the House created the Energy Supplies Allocation Board which is in the process of developing a contingency plan in case there is a fresh embargo by some or all of the oil producing nations.

Oral Questions

SOCIAL SECURITY

SUGGESTED GRANTING OF OLD AGE PENSION AT AGE 55

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is for my erudite and honourable friend the Minister of National Health and Welfare. In reference to his welcome adoption of my party's policy of extending pensions and allowances to spouses of OAS pensioners who themselves have not reached 65 years of age, would the minister now consider adopting the rest of our policy and having such eligibility begin at 55 rather than 60 years of age?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): I am pleased to welcome the return of my honourable friend to the House and to advise him that his proposal will interest me on condition that he extend the coverage to citizens who are 45 years of age.

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[*English*]

AGRICULTURE

BEEF CATTLE—SUGGESTED MEASURES TO STABILIZE INDUSTRY—GOVERNMENT POSITION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Agriculture. In light of recent statements by the four western premiers calling for help to stabilize the beef industry in western Canada and Canada as a whole, how is the minister responding to the suggestion that a 50 per cent sharing of aid may be implemented by the federal government in conjunction with the provincial governments or that a $100 per head advance payment be made to farmers engaged in cow-calf operations?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, first and foremost we feel that the beef industry is a national problem and will be dealt with on a national basis. We feel that the request has certain merits and consultations are taking place with provincial authorities of every province, I believe, at our headquarters at the Sir John Carling Building and it is hoped that a workable program will be found to salvage the beef industry.

BEEF CATTLE—PROPOSED IMPOSITION OF IMPORT QUOTA BY UNITED STATES—GOVERNMENT ACTION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, a supplementary question. In view of the fact that Canada's calf crop will not find space in feed lots throughout the nation, and in light of the fact that the Americans have said they would impose an import tax on beef from Canada, how is the minister responding to that and what action does he propose in order to protect Canadian farmers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think the action we have taken to protect Canadian farmers is the reason the American authorities are suggesting that they will take the action reported in the press. We have heard nothing more officially from the United States than you have seen in the press. We have been in contact with them as late as Friday and the United States government had made no decision at that time. I do not know if we have been in contact with them today.

[Mr. Macdonald (Rosedale).]

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CANADIAN BROADCASTING CORPORATION

RUSSIA-CANADA HOCKEY SERIES—CARRYING OF ALTERNATIVE TV PROGRAMS

Mr. Arnold Malone (Battle River): Mr. Speaker, I have a question for the Secretary of State. May I ask the rationale for the fact that in the remote areas of the north during the recent Russia-Canada hockey series, the games broadcast by CTV were also shown on CBC stations?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will have to look into that.

* * *

GRAIN

REQUEST FOR INCREASE IN INITIAL PRICE AND ASSURANCE GOVERNMENT WILL NOT INTERFERE WITH WHEAT BOARD SALES

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the minister in charge of the Canadian Wheat Board. Due to the fact that the initial price of grain sold to the Canadian Wheat Board is far below the price being quoted for domestic feed grains, when will the minister or the Canadian Wheat Board be making an announcement that the initial price of grain sold to the Wheat Board will be substantially increased?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we are giving consideration to the question of revising the initial price, even though the normal policy would be to set prices for the whole year. I should like to say that I hope members will help in the cause by pointing out to farmers that it is the full value of the grain that counts and not the initial price. Even if we raise the initial price, that should not be the only relevant consideration in judging whether to sell to the Wheat Board or to the off-board grain market.

Mr. Towers: A supplementary question. Will the minister give his assurance that after Canada's domestic requirements are met, this government will not interfere with the Wheat Board sales policy in a manner similar to the action taken by the United States in its recent sales of grain to Russia?

Mr. Lang: Mr. Speaker, I can assure hon. members that because of the operation of the Canadian Wheat Board in the export of wheat and barley there is never any danger in this country of sales being made which have to be cancelled.

LABOUR CONDITIONS

TERMS OF REFERENCE OF DR. HALL CONCERNING RAILWAY PENSIONS—DATE OF REPORT—SUGGESTION CANADIAN PACIFIC SHOULD MATCH ACTION OF CANADIAN NATIONAL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Do the terms of reference given by the minister to Dr. Noel Hall include all aspects of railway pensions, both Canadian National and Canadian Pacific, and can the minister say whether there is any indication as to how long it will be before Dr. Hall makes his report?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, if my recollection is correct, the terms of reference given to Dr. Noel Hall were very wide indeed. As to the second part of the hon. member's question, I believe the report will take another two or three months. It is going to require some considerable time yet to complete it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question. Pending receipt of the report from Dr. Hall, may I ask whether the Minister of Labour or the Minister of Transport will be making representations to the Canadian Pacific Railway that it should at least match the provisions made by the Canadian National for its retired employees?

Mr. Munro (Hamilton East): Mr. Speaker, I will certainly take that matter into consideration and talk to my colleague.

* * *

SOCIAL SECURITY

FAMILY ALLOWANCES—REGULATIONS DISCRIMINATING AGAINST ORPHANS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, a question for the Minister of National Health and Welfare. The minister will recall that last March or April when I pointed out that the new regulations under the Family Allowances Act discriminated against orphans as opposed to a child with one parent, he promised he would look at the regulations and make a change as soon as possible. Would the minister take immediate steps to fulfil his promise because the three orphans in the case I am talking about have received notice that they will be taken off family allowances.

● (1500)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member very kindly for bringing this point to my attention last spring. The problem he raised is indeed a real one. I had asked my officials to examine this question and prepare the necessary amendments, but I cannot recall whether appropriate amendments were in fact introduced. I shall find out and report to the hon. member as soon as possible.

[*English*]

POST OFFICE

CONSTRUCTION OF BUILDINGS IN MONCTON AND RIVERVIEW—GOVERNMENT POSITION

Mr. Leonard C. Jones (Moncton): Mr. Speaker, may I direct a question either to the Postmaster General or to the Minister of Public Works. When is it intended to announce the erection or acquisition of a new centralized regional post office distribution centre in the Moncton area and also the erection or acquisition of a new post office building, and facilities, in the Riverview area?

[*Translation*]

Hon. Bryce Mackasey (Postmaster General): Soon, Mr. Speaker.

* * *

[*English*]

TRANSPORT

RAILWAY SAFETY—GOVERNMENT ACTION ON REPORT OF CANADIAN TRANSPORT COMMISSION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is supplementary to that asked by the hon. member for Central Nova. I direct it to the Minister of Transport. It concerns railway safety. As the report of the Canadian Transport Commission on railway safety was a damning indictment of our record of railway safety, has the minister taken action on that report and, as a minimum, met with the railway companies to discuss the implications of that safety report?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, yes, I met with and asked the railways to tell us exactly what they are going to do in order to decrease the number of accidents.

* * *

NATIONAL DEFENCE

AMOUNT OF REDUCTION IN BUDGET AND METHOD OF ACHIEVING OBJECTIVE

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. As the minister admitted in the House on Friday last that he was planning cuts in the defence budget, and as he did not deny that commanders are being asked to plan for a 30 per cent cut in operation and maintenance funds, can the minister inform the House if the 30 per cent or 35 per cent cut in operation and maintenance is to be based on and deducted from the 1974-75 budget year?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I indicated in the House that we were trying to reduce expenditures to stay within the budget. We have not yet arrived at any set figures for operations but we are going to reduce capital expenditures. We will be cutting back on the number of personnel.

Oral Questions

PUBLIC SERVICE

WAGE OFFER TO GRAIN INSPECTORS AT VANCOUVER

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the President of the Treasury Board. Has Treasury Board made any further offer to its own employees, the grain inspectors at Vancouver, after the rejection of the offer of 6 per cent for 18 months and 5 per cent for the following year?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): The negotiations are going on. There have been some meetings between the parties and it would not be opportune for the minister to intervene at this time.

* * *

[*English*]

GRAIN

REQUEST FOR FINAL PAYMENTS IMMEDIATELY—GOVERNMENT POSITION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. As many young farmers on the prairies face substantial payments on their land and equipment, as these liabilities bear a heavy rate of interest and as many other farmers are short of cash and finding it difficult to meet their commitments, would the minister consider instructing the Wheat Board to issue final payments for the 1973-74 crop year immediately and permit those farmers in need of money to meet their commitments and those farmers who have no immediate need for cash to defer their income until 1975?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that action is hardly possible at present. The Wheat Board has not yet closed the accounts which are involved, and the closing of accounts and accounting is a requirement which must be met before payments can be made. The payments will be made immediately after January 1. In the meantime, cash advances are available. There is a bill now before Parliament for increasing the limit on cash advances so that cash may be available to farmers, in advance of delivery of grain, interest free.

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URBAN AFFAIRS

LAND ASSEMBLY—REQUEST FOR MEASURES TO ASSIST MUNICIPALITIES RETAIN GREEN SPACES

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Can the minister advise the House whether there is at present any government program whereby the federal government can assist municipalities to retain existing green space, presently privately owned, before it is lost to development?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, there are programs of land assembly which are part of the plan. The inclusion of green space in an integrated plan would be a desirable part of any such program.

[Mr. Richardson.]

Mr. Fraser: Mr. Speaker, may I direct a supplementary question to the minister. In view of Liberal campaign promises to fight for federal aid for the retention of green space in Vancouver, I am referring specifically to the Langara lands, can the minister advise whether he has had any requests for assistance, in this case from members of the Liberal party in Vancouver?

Mr. Danson: Mr. Speaker, I do not know the specific case. I speak for Liberals as well as non Liberals and do not differentiate on those grounds.

Some hon. Members: Hear, hear!

Mr. Danson: I do not know of a special case, but I speak with people, Liberal or non-Liberal; I do not differentiate on that basis. I have been in Vancouver and have spoken to the mayor. We are, as was my predecessor, very much concerned about and interested in the development of the Greater Vancouver Regional Development Plan. My ministry is working on that plan very closely with officials of the city, so that the specific case referred to will come within the over-all plan. In this case we see almost a classic example of co-operation between different levels of government in one of the most beautiful cities in Canada, if not North America.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

WEST COAST GRAIN HANDLING OPERATIONS ACT, 1974

MEASURE TO SECURE THE RESUMPTION OF OPERATIONS

Hon. John C. Munro (Minister of Labour) moved that Bill C-12, to provide for the resumption of grain handling operations on the west coast of Canada, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, as members of this House are aware, the bill now before us represents the government's legislative proposals respecting the west coast grain handling dispute. Before examining these proposals it would be appropriate for me to refer to the chronology of events in this dispute. Firstly, however, I must refer to the parties directly involved: these are the Alberta Wheat Pool, Pacific Elevators Limited, Burrard Terminals Limited, United Grain Growers Limited, the Saskatchewan Wheat Pool, and the Grain Workers Union local No. 333. The five existing collective agreements, which cover approximately 500 grain elevator employees, expired on November 30 of last year. Members will note that the employees have thus been without any improvement in their terms of employment for some ten months.

Initial attempts at reaching a new collective agreement proved fruitless, despite the lengthy assistance of two conciliation officers. As a result, on February 15 of this year I appointed Dr. Neil Perry of the University of Victoria, British Columbia, as a conciliation commissioner and I received Dr. Perry's impartial report on April 29.

The recommendations contained in the report were accepted by the union membership on May 5 but were rejected by the companies on May 13. Every effort was then made to develop a method of producing a negotiated settlement. But as far as the parties were concerned, the end of the road had been reached. The union's firm position was the Perry report and nothing less than the Perry report. The employers' position, although never precisely specified at that time, was that only something much less than the Perry report would be acceptable. We were faced with a complete impasse in which there was no possibility of achieving a negotiated settlement.

● (1510)

The fact that there was no possibility of further negotiations was underlined most forcibly to me and to the minister responsible for the Canadian Wheat Board, the Minister of Justice (Mr. Lang), when we met with representatives of the companies a few days later. Indeed, they indicated to us that the alternative, as they saw it, could well be a work stoppage. The only responsible view for the government to take was that a work stoppage was not only unnecessary, in view of the existence of a reasonable and viable alternative in the form of Dr. Perry's report, but would certainly adversely affect the national interest.

As a result of this view, and because at that time parliament was in dissolution for the general election, the governor in council, having decided that any work stoppage would adversely affect the national interest, made an order pursuant to section 181 of the Canada Labour Code, part V, Industrial Relations, to suspend any work stoppage until the election was over. This initiative in May was taken to avoid the prospect of a work stoppage which for all practical purposes could have lasted three months before parliament could be reassembled to take action.

Both the Prime Minister (Mr. Trudeau) and myself later received telegrams from the presidents of the companies involved in which they expressed concern over what they termed the inflationary consequences of Dr. Perry's report. This called for pay increases of 87 cents an hour in the first year and 65 cents an hour in the second year of a two-year agreement, with cost of living adjustments, a new pension plan and other benefits. The base rate now is $4.96 an hour. The Prime Minister replied to the company presidents to the effect that the recommendations took into account the parity issue between the grain handlers and Vancouver longshoremen and that it should not set a precedent for other wage settlements in other sectors of the economy.

On August 20, my colleague the Minister of Justice and myself, together with senior officials of my department, personally met with the four company presidents in Saskatoon. Three days later I was advised that the grain elevator companies, with the exception of Burrard Terminals Limited, had posted lay-off notices affecting some 50 per cent of their work force, effective August 23 and 26. In view of this action, the companies were advised that there appeared no point in holding the further meeting scheduled for August 26.

As a direct result of the lay-off notices, the unions saw fit to withdraw services and mount picket operations. Subsequently, between September 13 and 30 a number of private discussions were held among the parties and departmental officials in both Ottawa and Vancouver. Following these discussions, I was satisfied that only two items were separating the parties, the pension issue and the cost of living allowance formula. As a result, on September 30 I made a proposal for settlement of these two items, a settlement that would have cost considerably less than the 61 per cent figure that has been widely referred to. The union accepted my proposal but the grain elevator companies rejected it. This brief summary is, I think, a sufficient chronological backdrop to a situation that can no longer be allowed to run its harmful and protracted course unchecked.

Before I refer to the proposed legislation I would like, with hon. members' permission, to further clarify the government's position with regard to this dispute and to rebut certain statements that have been made in connection with the government's position. First, I take issue with those parties who consider that, by endorsing the commissioner's recommendations, the government has not acted impartially and is, in effect, encouraging so-called "inflationary" settlements.

I would like to make these factual points. In this instance, the companies and union had ample time to engage in genuine good-faith bargaining during the months that followed the expiry of their old contract in October, 1973. It was not until they reached a deadlock that my department became involved, offering our experienced mediation and conciliation services. It was only after all other efforts had failed that I appointed Dr. Perry as a conciliation commissioner.

Dr. Perry is a skilled, respected, impartial expert who in fact served the same parties in 1965 as an industrial inquiry commissioner. His wide experience in labour relations also includes chairmanship of federal conciliation boards and an industrial inquiry commissioner for the B.C. government. It is neither surprising nor unusual that the government accepted his report, for the presumption behind the appointment of an outside adjudicator in any labour dispute is that the government will give credence and weight to his findings. To do so is certainly not to undermine either of the parties or to sabotage negotiations; to suggest this is both unreasonable and unrealistic. To do otherwise would, indeed, undermine the parties.

When it becomes necessary to resort to conciliation, it does not rule out further bargaining but it does mean that subsequent discussions have to take place within the new parameters of the conciliator's report. Now, no union in this day and age is likely to accept less than a conciliation report recommends, and no democratic government prevailed upon to enforce a settlement would think of imposing terms lower than those advocated by a neutral expert. In this case there was no real bargaining between the grain companies and the union since the Perry report was released; not because the government accepted the report on a basis of settlement, but because the union accepted it

and the companies did not. Attitudes hardened on both sides and the many strenuous efforts to get the parties back to the bargaining table met with no success.

The government has by no means "sided with the union", as has been claimed in some quarters. It has simply recognized that the eventual settlement, however reached, has to be based on the conciliation commissioner's recommendations. I believe it is obvious that the companies would know this.

As hon. members may be aware, the Perry report calls for a two-year total wage increase of $1.52 an hour on a base hourly rate of $4.96. This constitutes an over-all increase of slightly more than 30 per cent. The companies, by incorporating estimates of the additional cost of a proposed cost of living adjustment and a pension plan, have claimed that a package settlement based on the Perry report would raise their labour costs by a total of 61 per cent, a figure that I might indicate is not accurate. I hope more will be said about this figure during the course of this debate.

This figure is approximately 7 per cent higher than that reached by departmental experts. That is based on the lowest wage rate paid to a worker in a grain elevator. Be that as it may, we do know that the wage component of the Perry proposals averages fractionally above 15 per cent per year, exclusive of the cost of living adjustment. This comparative data is always used when comparing settlements one with another. In this case, it is slightly above 15 per cent per year. For purposes of comparison we can note the preliminary figure for the second quarter of this year that shows an annual average increase, in British Columbia, of 15.7 per cent on average rates; so the Perry proposals are certainly not out of line with prevailing levels on the west coast.

● (1520)

The introduction of a pension plan fills a long-standing gap in the grain handlers' employment benefits, and the protection of a cost of living allowance is by no means an unreasonable or unique objective among Canadian workers today. I do not argue that the total cost of a settlement based on the Perry report will be trivial. It will, indeed, be substantial. But much of it will represent catch-up on wages and pensions by comparison with longshoremen working beside them on the same waterfront.

The wage boost recommended by Dr. Perry for 1974 would raise the grain handlers' basic hourly rate to $5.83, leaving them still 25 cents behind the $6.08 an hour which the stevedores have been receiving for the past 18 months. And by the time the grain handlers receive their proposed 1975 increase of another 65 cents, the longshoremen will, presumably, have negotiated a new contract themselves. In any event, Mr. Speaker, I wonder how it is inflationary to bring 500 grain handlers to the level of remuneration that 3,600 longshoremen had been receiving previously.

The Perry findings may not be perfect; I do not know. Neither I nor any member of this House can know. We were not the independent third party injected into this dispute. We were not there to study the briefs which were submitted. We were not there to hear the rationale presented. Dr. Perry was. His is the expertise; his is the first-hand knowledge. Hence, his report must be viewed as the most reasoned and reasonable basis for a final settlement.

[Mr. Munro (Minister of Labour).]

I would also reply to those who question the government's action in the dispute. I can state categorically that throughout the dispute my department and the government acted scrupulously within the framework and confines of the Canada Labour Code and of our concept of the public interest. We have exhausted every means of bringing about a peaceful settlement. If we had to do it all over again, I honestly do not see how we could take any different measures which would be more effective and more democratic.

To have recalled parliament for a special emergency session in order to deal with the dispute would simply have turned the House of Commons into a scapegoat; into something too closely resembling a labour court. Such action, in these particular circumstances, would have been irreconcilable with the government's stated position of supporting the free collective bargaining process by giving it every opportunity, every encouragement and assistance to the end of making it work. In this case, as we know, the process did not work, despite our most strenuous efforts.

To say this dispute is disturbing would be to understate the case. It marks yet another labour relations fiasco in an industry which for years has been characterized by confrontation and even hostility. It is a long and tedious history and includes frequent rejection by management of third party conciliation reports as a basis for settlement of disputes—although I do not intend to infer that the union has always been blameless. Perhaps just one illustration of how long governments have had to contend with crises inspired in this industry will be of interest to newer members of this House, and will refresh the memories of its distinguished veterans. In April of 1953, after a work stoppage had closed the elevators for two months, the prime minister of the day, the late Right Hon. Louis St. Laurent, hinted strongly in this House that the government would, if such action were deemed necessary, seize the elevators. He was, understandably, aroused by the refusal of the company presidents to come to Ottawa, sending instead their lawyers. Twenty-one years and six months later, the attitudes and the situation remain much the same.

Hon. members will agree, I know, that good will and reasonable attitudes cannot be legislated. At the same time, there has to be an improvement in this poisonous labour relations situation. The government and the country cannot, and must not, endure the continuing disruptive and damaging consequences. I strongly suspect that it is the whole concept, the whole structure which militates against any meaningful, straightforward negotiations taking place in this industry. Therefore, it is my intention to appoint an industrial inquiry commission. The commission will have broad terms of reference and will, among other things, conduct a thorough examination of the history of this industry's labour relations and their impact upon efficiency and productivity. Hopefully, this commission will bring forth recommendations which will lead to a reasonable, acceptable industrial relationship.

I turn, now, to the proposed legislation. First, all grain handling operations will be resumed; all employees will return to work. The return to work is not to be impeded or

prevented in any way, and no disciplinary action is to be taken against any employee by reason of his having been locked out or on strike. Second, the term of each collective agreement is extended to include the period beginning December 1, 1973, ending when a new agreement come into effect, or on November 30, 1975, whichever is earlier. Third, the terms and conditions of each existing agreement are amended by increasing the hourly basic rate of wages by 87 cents an hour, effective December 1, 1973, and by incorporating the other recommendations contained in the report of the conciliation commissioner.

Fourth, strikes and lock-outs are prohibited during the term of the extended agreements. Fifth, companies and unions shall resume negotiations and make every reasonable effort to agree on the manner in which the conciliation commissioner's recommendations are to be incorporated as amendments to the extended agreements. In the event that the parties cannot agree on the interpretation of the commissioner's recommendations, a referee may be appointed, whose decisions would be final and binding.

Mr. Speaker, I shall be pleased to answer any questions that hon. members may wish to ask.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I am very pleased to have this opportunity to take part in what I consider to be an extremely important debate. Before doing so, I should like to express, on behalf of my leader and others in this party, our extreme sympathy to His Excellency. We wish him well and look for a speedy recovery. I think this man has the wisdom, the ability and the background to enable him to make a most significant contribution to the development of this great land of ours.

As a member of the class of '68, I stand here with some pride, Mr. Speaker, in congratulating you upon your appointment to greater heights. You have now left the realm of the backbencher. You are now making more money. You are now involved with power the like of which I have not seen. But having known you, sir, over the past 6½ years, I am confident you will discharge your duties admirably. As a matter of fact, I had the opportunity of testing you the other day to see how you would turn out, and I must confess that I came out of it second best.

● (1530)

I should also like to extend my congratulations to the hon. member for Thunder Bay (Mr. Penner) who has also been elevated to new heights. I know we will all look for a great input from him, as well as from the Assistant Deputy Chairman. This is a choice that meets my approval without any question.

I should like to adopt the sentiments expressed by my colleagues on both sides of the House with regard to the mover and the seconder of the address in reply to the Speech from the Throne. Both did an admirable job. It seems to me that their input will be significant, one to which I think all of us will be able to point with pride. They are not going to find their job easy; it can be a frustrating task. Yet I think all of us who have had the opportunity of being elected to this House realize that we are in the big league here. In this place we formulate policy and direction that will move this country into the eighties and nineties, in keeping with the needs and aspirations of the Canadian people. We are continually kept aware of the legitimate aspirations and hopes of all our people—and I leave out no one.

We have, of course, seen some evidence of the denial, or perhaps I should say unawareness, of certain of our brothers, our native people, for whom I have a lot of sympathy. You are in one heck of a position when you are left out of the mainstream of Canadian life, your forefathers having been responsible for the birth of this country. But as the years went on, with our set ideas, our prejudices and our dislike of certain people because of race, colour or creed, we found these people getting further and further behind.

I hope that what happened here last week registered concern in all of us. If we do not indicate that we are aware of the problem, and if we do not bring about solutions, then your guess, Mr. Speaker, as to what is going to happen in the long run is as good as mine. We may have to revert to the confrontation of the sixties that occurred in the United States and which all of us deplored. But I think we in this House will not allow that to happen. We on this side will see to it that the government is kept aware of the situation and that it brings about solutions to the tremendous problems facing these people.

Because of the very real concern of the hon. member for Vancouver South (Mr. Fraser) and the hon. member for Capilano (Mr. Huntington) over the situation, I had the privilege of being chosen as one of nine to journey to Vancouver and Calgary to obtain the facts concerning the dispute with which we are dealing today. I must commend these hon. members, because as a result of their very real concern many of us had an opportunity of discussing this dispute not only with the union but with terminal managers and, indeed, the presidents of the wheat pools. In consequence, we on this side of the House are better informed, perhaps better informed than the Minister of Labour (Mr. Munro), the Minister of Justice in charge of the Wheat Board (Mr. Lang), and last but not least, the proponent of the just society. I think we are all better informed as a result of our trip.

Not only should I like publicly to thank my colleagues, but also the members of local 333 of the union involved, the terminal managers and the presidents for their open, frank, serious and meaningful discussions, which in the long run have meant that we on this side are better able to understand the situation. We understand now, as the minister has so indicated, that the grain handling industry is in a mess.

Having listened to the Minister of Labour's sob story, I can only say that the approach of the government to this entire matter can only be described as over reaction, bungling, irresponsibility and inept and heavy-handed approach. The Minister of Labour comes from the great city of Hamilton. I have listened to him extolling the virtues of the collective bargaining process. Yet I watched him unwarrantably interrupting the collective bargaining process by blessing the Perry report, which meant that all meaningful negotiations were destroyed. The collective bargaining process as we know it was also destroyed.

The President of the Treasury Board (Mr. Chrétien) was asked a question about the inspectors, and although I

was aware of it before, the double standard used by the government became apparent to me. No matter whether the minister says the increase being offered is 61 per cent, 54 per cent, 48 per cent or 41 per cent under the terms of the Perry report, we find the same government offering the inspectors increases of 6 per cent and 5 per cent over a two-year period. What kind of nonsense is this? Where is the credibility and responsibility of this government?

What was not urgent has now become urgent. Hon. members opposite have had a great holiday. Ministers opposite were not preparing bills, because they have just introduced all those that were dropped in the last parliament. They were having a holiday and gloating over their victory. What they should have done was recalled parliament. In the absence of their recalling parliament the only rational conclusion one can come to is that they are unconcerned about the loss of millions of dollars, about the deterioration of our international reputation, about the economic wealth and well-being of this country.

I hear the hon. member for Middlesex-London-Lambton (Mr. Condon) commenting, but he knows what I say is the truth. He is a labour man himself and understands the situation. He knows that the government destroyed any meaningful negotiations between the parties when they endorsed the Perry report. I shall have more to say about that report because it was not really a final report; it only made suggestions. Why did the minister not mention that?

Mr. MacKay: He did not read it.

Mr. Alexander: We understand that. My colleague from Central Nova (Mr. MacKay) says that he did not read it, and according to the information we on the committee received, you are doggone right that he did not read it at the time the government blessed the Perry report. They had no idea what severe implications there were. In an over reactive, heavy-handed sort of way the government said, "Okay, let's go; this is it". I do not think I am disclosing any confidentiality when I say that the government said to the companies that if they did not accept the Perry report they were under threat of sanctions. As a matter of fact, I will be very pleased when the minister comes before the standing committee—I think that is the proper course to take—and we can find out what the heck went on here. We want to question the Minister of Labour, that great proponent of the collective bargaining process who subsequently destroyed it. I should also like to speak to the minister responsible for the Wheat Board about this question, because he is supposed to see that grain is not only grown in this country but is moved. His input into this matter was disastrous.

● (1540)

Mr. Munro (Hamilton East): What about the company line?

Mr. Alexander: Now we hear the minister asking about the company line. I suggest the speech he made was not along company lines or union lines, and was not even made on behalf of the Canadian people. The minister has abdicated his responsibility as Minister of Labour and he should resign because of the mess in which this country finds itself.

Some hon. Members: Hear, hear!

[Mr. Alexander.]

An hon. Member: Give us back Mackasey.

Mr. Alexander: He was a good man. I can say nothing about the former minister of labour except that he was, and still is, my friend. Mr. Speaker, you thought I was going to say something else, but I would just like to stand on that.

Let me review the grain situation as we find it in Canada today. When the Minister of Labour and the Minister of Justice cancelled their planned meeting with grain company officials on August 22, it was on the basis that it would appear unproductive to pursue discussions. At that time, both ministers dismissed the necessity of recalling parliament by claiming that the situation was not serious enough to warrant such drastic action. The minister, according to a news comment made in Vancouver on September 4, said that while the dispute was serious to the farmers in terms of economic repercussions, he did not think parliament should settle disputes which did not have national consequences.

What is the matter with the thinking of the Minister of Labour? This dispute has not only national consequences but international consequences; and this has been the fact for some time. Notwithstanding what the minister has said, a telex from the Canadian Wheat Board to the Minister of Justice, and other information from government sources, makes it clear that the federal government's representatives were virtually unaware of the complexities of the situation. According to Canadian Wheat Board figures, the situation was far more serious and potentially damaging than government officials cared to admit. In the telex to which I have referred, the Canadian Wheat Board illustrated with dates, figures and amounts the gravity of the situation both in national and international perspective.

The Wheat Board claimed that the port of Vancouver is capable of a sustained export volume of a minimum of 25 million bushels of cereals per month. At full operational efficiency, 30 million bushels per month can easily be accomplished. The record for grain exported through the port of Vancouver was achieved in May, 1973, when 36.7 million bushels of wheat were processed in one month. However, due to the circumstances brought about by various labour disputes during the past few years—and other matters, I might add—the Canadian Wheat Board claims that the port of Vancouver has been in a continuous demurrage situation since the August, 1973, national railway strike. The demurrage costs which are expected to be incurred from the present work stoppage could easily reach $10 million. These debts would be paid from the 1973-74 pool accounts, payable by the producers. I recall the hon. member for Crowfoot (Mr. Horner) and the hon. member for Calgary North (Mr. Woolliams), questioning the propriety of this, but their concern met with a negative response from the government.

Foreign grain contract commitments require a daily unloading capacity of 700 cars, five days per week until the end of December, 1974. The Wheat Board has calculated that under a work stoppage situation of six weeks duration, it would take until mid-May, 1975, to fulfil foreign commitments at an unloading rate of 700 boxcars per day. As a result of this, the Wheat Board felt that its foreign contractees may be forced to look elsewhere for

grain and wheat supplies, and this prophesy became a reality when one considers the action of Japan in buying United States wheat. Consequently, estimates of the cost of the strike in real terms indicate that $10 million in demurrage charges will be incurred, with up to $250 million lost in potential sales.

The instability of the labour situation at the port of Vancouver is well known internationally. When the contract with China for 76.4 million bushels of wheat valued at $350 million was undertaken, it was stipulated that only 60 per cent of the total volume be shipped through the port of Vancouver, I suggest for this reason.

The Minister of Labour says we have new problems, and on October 7 he speaks about the appointment of an industrial commission, about which I will have more to say a little later. For three consecutive years, a period during which the prairie farmer could sell virtually every bushel of wheat delivered to the port, Canada has had trouble keeping its foreign contract commitments, let alone making extra sales. In the first year, delays were attributed to the unusually heavy snowfall in the Rockies. This was followed by a shortage of boxcars, and now the grain handlers' strike.

Although no official figures are available, government spokesmen have intimated that Canada is falling behind its export schedule at the rate of 15 million bushels per month. It is expected that by the time the grain handlers' dispute is settled, this figure will have reached 50 million bushels. However, statistics confirm that backlogs are never caught up, especially when grain shipments are dependent upon the Canadian transportation system which has been publicly denounced by the Minister of Transport (Mr. Marchand) as being in a mess. Those are the facts which this government, for some reason, has callously disregarded. The consequences of this dispute affect us nationally and internationally, yet the minister said he did not want to recall parliament because he did not want to turn this body into a labour court. What are we doing right now? I will have more to say about that as well, Mr. Speaker.

It is now admitted that the situation is urgent. Was it not urgent four weeks ago, or five weeks ago? Did it suddenly become urgent because this government decided it was going to adopt the Perry report, notwithstanding any contrary opinions?

Mr. Sharp: What is your opinion?

Mr. Alexander: Now we hear that voice in the wilderness bleating. I have a great deal of respect for the hon. gentleman who is now government House leader, but I suggest the best thing he can do now is to talk some sense to his colleague and other members to his left in order that we might reach agreement as to the determination of this bill, not only in terms of the length of the debate but the hours of sitting. I suggest in that way he will be making a magnificent contribution.

Mr. Broadbent: Let's finish it all today.

Mr. Alexander: Now we hear that other voice in the wilderness to my left, a man who is also from the class of '68. I suggest he is allowing his position to go to his head. I say, with all due respect, that we sit here today as the highest court in the land, in effect suspending the democratic freedoms of labour and management and thereby overriding the collective bargaining process—something that could have been avoided, in my view, and something that is distasteful to all hon. members.

What is most unusual and extremely questionable is not the fact that the government is asking hon. members to declare grain handling, in all its aspects, an essential service; rather, it is the forced imposition by the government of the role of arbiter on hon. members, with power to settle and to set the terms of an agreement. This is what is extremely unusual. In these circumstances, one readily recalls the dispute involving the railway workers during which parliament ordered the resumption of operations, asking that compulsory arbitration be imposed, and setting a minimum wage hike from which deliberations would start. But that process is not to come about this time. That which is usual and acceptable is being flagrantly disregarded and replaced by a procedure which is totally unacceptable.

● (1550)

Notwithstanding all that I have said, I would now point out some concern about the fact that much has been said about union and management in this dispute, but it seems to me that in the absence of leadership from this government in the fight against inflation, and because of its complete lack of anti-inflationary policies which has resulted in a free for all, dog eat dog society, one cannot really blame workers, unionized or not, who pursue with determination and vigour cost of living protection. Workers are retaliating against the loss of purchasing power, which has increased steadily since June of 1973.

Accordingly, the Perry suggestions, to the union's way of thinking, were most acceptable in the absence of any government initiative to wrestle inflation to the ground. What other choice did the union have, under the circumstances? To reject the suggestions would have been called insanity, particularly when the government indicated its approval beforehand. I would also say that it is not easy to point the finger of blame at management because, after all, their stubbornness is related to a genuine, sincere and probably true assessment of the situation, namely, that the government-approved settlement which they will impose is highly inflationary and damaging to the economy. That is a position which this opposition party accepts.

Who, then, should be blamed and condemned? None other than the Trudeau Liberals. I point the finger of condemnation at the government for its failure to tackle inflation, for creating a climate of economic instability and uncertainty, for creating lack of confidence in the economy, for creating confrontation collective bargaining, and for the attitude that nothing can be done about inflation.

Mr. Turner (Ottawa-Carleton): Who is the author?

Mr. Alexander: I thought I heard the Minister of Finance (Mr. Turner), but perhaps I am wrong. In this regard, the president of the Canadian Labour Congress said in a recent speech:

Economic instability will drive workers into a position where they will have no choice but to disregard their contractual obligations and to strike regardless of the consequences.

He also said this could result in breakdown of the collective bargaining system. We all know he is right. Workers are now disregarding existing contractual obligations, ignoring back to work orders, ignoring court injunctions and government legislation to end legal strikes. In these circumstances, one could not fault the minister when he screamed for the formation of a body to resolve this question, or his intention to invite business, labour and government officials to form a continuing body to study labour relations and to intensify the examination of the collective bargaining process.

I want to know what happened to the Woods task force report, the Freedman report regarding the public service and all their recommendations. Are they to gather dust, in the usual manner, at the expense of the taxpayer? In any event, I thank the minister for adopting in a very devious way part of our policy which calls for a public interest disputes commission such as recommended in the Woods report. I refer the minister to our policy which is found on pages 4 and 5 of "The World of Work" prepared for the last election, under the heading "making the collective bargaining process work and safeguarding public interest". I assure the minister that he will find it most rewarding and informative.

We were very concerned about deterioration of the collective bargaining process, we were concerned about protection of the public interest, and we were very concerned about the movement of essential services. In that regard we adopted the principle indicated in the Woods report, which I understand the minister is now trying to steal bit by bit. Instead, he should be saying that the government will bring forward legislation to appoint a commission independent of government, particularly of this government, composed of representatives of the consumer, labour and management, in order that we can determine what are essential services, to assist the parties and thereby bring about solutions and remedies to improve the collective bargaining process.

I thank the minister, also, for his initiative in calling a meeting of labour, management and government, but I believe he is very naive if he plans to meet the other parties without having any anti-inflationary policy and expects a meaningful discussion to result. That is the crux of the matter. In that regard, it is my view that neither labour nor management will budge one inch. The meeting will be doomed from the start; surely the minister is aware of this. Surely the minister and his front bench colleagues are aware that this country is crying out in desperation for any kind of step—at this point I am looking at the Minister of Finance—which would show that they are aware of the damaging effect of our 11 per cent runaway inflation.

These groups are looking for leadership in their fight against inflation, for some bold initiative, not the same old reply that inflation is licked, or inflation is a world phenomenon, which I heard the Minister of Finance say today and which only means that little can be done. We need some reassessment on that side. Make no bones about it, the government is in one awful mess.

Some hon. Members: Hear, hear!

[Mr. Alexander.]

Mr. Alexander: The sooner the government approaches this matter with some credibility and honesty, the sooner our country will return to some stability and order. The current legislation holds many unpleasant ramifications. For instance, there is little doubt that it ignores completely great concerns of labour and management with regard to the need for increased productivity, greater efficiency, worker incentives and communication.

The present circumstances surrounding grain handling, with all its ramifications—the minister mentioned this—including worker unrest and dissatisfaction, demand that those concerned come up with long-term solutions which will bring some stability and order to the collection, movement and loading of grain. This legislation ignores these problems and, therefore, by implication condones and perpetuates conditions as they exist, notwithstanding the announcement of the minister this afternoon regarding an industrial commission. Why could he not have incorporated that in this bill? Is that an impossibility? They have all the brains over there—so they say, Mr. Speaker. Why did the minister not incorporate that in this bill? It would have given this whole exercise some meaning. Or am I wrong in terms of procedure? All they are doing is using their powers to coerce the workers back into an unworkable, dispute-ridden system until they obtain the legal right to walk out again. We should be just as concerned about the long-term approach to grain handling.

● (1600)

In light of this and in keeping with what the minister has indicated today, I demand that an industrial administrator be appointed immediately to inquire into every aspect of grain handling, with terms of reference related at least to the matters I have mentioned. As a matter of fact, you could add to that the government's mishandling of this entire situation.

The current dispute between the grain workers and the Canadian grain elevator companies, the names of which have been disclosed by the minister, has many other unpleasant ramifications. For instance, there is very little doubt in my mind that the settlement proposed by the Perry report will be inflationary, despite the calculation made by any party involved, whether it be 61 per cent, 54 per cent, 47 per cent or 40 per cent. Any settlement in this matter will have far reaching and severe effects on the economy of this country.

The government, however, does not appear to recognize the serious inflationary consequences inherent in such a settlement. In fact, the Minister of Labour is quoted as saying that this particular settlement would not be excessive in the context of labour contracts negotiated in British Columbia over the past few months, and he reiterated this today. But the British Columbia Employers' Council has another opinion. In a recent telegram to the Minister of Labour and the minister responsible for the Canadian Wheat Board, the council said that the settlement would indeed be "excessively inflationary in the context of the inflationary spiral and the ripple effects of such a settlement".

The grain companies contend that this settlement will equal a 61 per cent increase over a two-year period if all costs are calculated. The British Columbia Employers'

Council, using figures submitted by the union, calculates the increase at 47 per cent over the same period. But, by using their own figures, the B.C. Employers' Union has discovered that the actual increase will be in the order of 54 per cent.

It is very difficult to determine what the calculations are, Mr. Speaker, and what the end result will be with respect to any calculation except the 61 per cent. I would refer hon. members to a lead editorial in the Toronto *Star* of Monday, September 9, 1974, entitled "Up, Up and Away" which reads in part:

The federal government which is pressing western grain companies to accept the terms of a conciliation report as a settlement with grain handlers says it doesn't know how the companies figure the contract would cost an inflationary 61 per cent over two years.

Here's how. The calculation assumes—what else can one assume—that the consumer price index continues to rise by 1 per cent a month. The present basic wage is $4.96 an hour. Add: 87 cents wage increase, December, 1973; 19 cents cost of living allowance, November, 1974; 65 cents wage increase, December, 1974; 50 cents cost of living allowance, April, 1975; 21 cents cost of living allowance, November, 1975; 40 cents pension plan; 21 cents other fringe benefits.

Total: $3.03 an hour. Which is a 61 per cent increase, extreme by any standard. Does Ottawa really mean to put its seal of approval on that kind of package, thus establishing it as a target for other unions.

There is some question here because the union figures do not jibe. I find it strange, because of the complexities and implications of the COLA clause, that the government was in such a hurry to embrace it. I say "embrace" because they accepted it without knowing what it really meant. Now they want to give us a referee to assist the parties in determining what Dr. Perry meant. The minister shakes his head. However, I have read the bill, and it provides that any amendments or suggestions that cannot be understood by the parties involved are to be referred to the referee, who will tell them what they are all about. That shows that the minister does not know what this problem is all about.

The government has not released anything to indicate what they expect the figure to be on a percentage basis. All I can recall seeing from the minister is his press release of September 30, which indicated that there were only two unresolved issues remaining in the Vancouver terminal grain elevators' dispute and that they would produce a total settlement package costing considerably less than the 61 per cent widely reported in the media. What is this word "considerably", Mr. Speaker: what does it mean in terms of actual figures?

In connection with the press release, I tell the minister that he has been challenged by a responsible person, the solicitor acting on behalf of the wheat pool, who said, that "Munro told half story", according to a headline in the Ottawa *Citizen* of October 3. He is quoted as saying:

The minister hasn't told the whole story and why he chose to do this is a mystery to me.

Later he said:

Munro seems to be playing games.

The minister's statement in his press release, namely, that there are only two unresolved issues in the Vancouver terminal grain elevators' dispute, was also questioned by Ira K. Mumford, general manager of the Saskatchewan Wheat Pool, in an article in the *Globe and Mail* of October 2. In the same article, E. K. Turner, president of the Saskatchewan Wheat Pool quoted part of a telex sent the minister as follows:

In fact, there is no agreement on approximately 40 items, including those referred to in your telex.

Is the minister playing games? Is he being less than honest? I do not know, but that is Mr. Mumford's impression—and he ought to know because he is involved. Mr. Turner says there are 40 issues, including the two issues of pensions and benefits, whereas the minister says there are only two issues. What conclusions can we on this side reach except that the minister is playing games, is playing hanky-panky? Despite any discrepancies over the actual cost, Mr. Speaker, it is probable that a settlement of this size will constitute a precedent for future contract negotiations, as did the 1966 St. Lawrence Seaway settlement. The Prime Minister has either forgotten, or refuses—contrary to all respected opinion—to accept that fact when he indicates that this dispute is unique and that the settlement being imposed will not set off another round of inflationary demands, a proposition to which my party cannot lend any support.

Let us review for a moment the St. Lawrence Seaway settlement. In this case, 1,260 Seaway employees were awarded a two-year contract calling for an increase of 20 per cent immediately and a further 10 per cent following in January, 1967—or, in all, 30 per cent—when the inflation rate was stabilized at 3.6 per cent per year. At that time the Liberal government displayed its well known ineptitude, incompetence and complete disregard for the collective bargaining process by jumping in and promoting a proposal which gave the union 5 per cent less than its original demand of 35 per cent. And this was after the conciliation board's majority report had recommended a total package increase of 14 per cent over two years. Now, is that responsibility? Is that what you call leadership? They are aware of the circumstances, and they make these awards in keeping with the exigencies of the situation.

Let me continue. The Economic Council of Canada dealt with this settlement in 1966 in its third annual review, assessing all the relevant facts. At this time I believe it is not only advisable but very necessary to refer to the council's assessment, which was as follows:

Normally, bargaining in Canada is not characterized by strong national pattern setting. For example, settlements in the steel and automobile industries in Ontario do not usually exert any great effect on collective bargaining in British Columbia which tends to have a life of its own. But large, highly publicized settlements to which governments are parties inevitably have somewhat more impact on the climate of collective bargaining across the country.

● (1610)

That is the crux of the problem. From the moment the government embraces any figures or intervenes, the benchmark is made. This is true whether you like it or not. The Economic Council of Canada considered this sort of situation in 1966 and I have referred to its conclusion. It is not my conclusion, Mr. Speaker. It is a conclusion to which all members, particularly government supporters, should pay attention.

The *Globe and Mail* of June 22, 1966, registered its concern when it said that a pattern had been set for resolving major labour disputes and wage scales, one that would prove much more difficult to break than it had been to

establish. The tendency will be for the normal processes of negotiation to be regarded as little more than formal preliminaries to an appeal to the highest authority. No matter whether we consider the assessment of the Economic Council or the observations of the *Globe and Mail,* the message is clear. The government's attitude in this dispute has been totally irresponsible and should be condemned. The government has completely disregarded the conclusion of the Economic Council of Canada, to the detriment of this country's economic well-being.

In my view, the repercussions of the original Seaway settlement were most inflationary; and those repercussions have been felt ever since at the bargaining table in contract negotiations. Furthermore, it has become increasingly apparent that since the Minister of Labour, the Minister of Justice and the Prime Minister (Mr. Trudeau) indicated that the suggestions contained in the Perry report would be implemented, a climate has been created which has become intolerable. The proposed settlement, in every way, is comparable to the Seaway settlement, if one considers the implications of repercussion, publicity, government involvement and spin-off. On the basis of past examples it is not difficult to prosphesy the effect of a 48 per cent or a 61 per cent award on our economy because our rate of inflation is now running at 11 per cent.

The spin-off will be staggering. It is felt that the spin-off from the proposed award will affect between 11,000 and 12,000 workers, including 1,500 grain handlers at Thunder Bay, 3,200 longshoremen in British Columbia—the minister will run into trouble on that settlement—3,500 managers of grain elevators throughout the west and 260 grain inspectors employed by the Canadian Grain Commission, a government agency. All these men will be able to claim that their jobs and responsibilities are just as important as those of the grain handlers and that they are entitled to an equal award. What will the Minister of Labour say to them?

Let me now turn to a speech the minister delivered to the western region of the International Woodworkers of America, in Vancouver, as reported in the *Globe and Mail* of September 28, 1974. Does the minister not remember that speech? If he does not, I will remind him of it. He spoke of catch-up. The minister's theory of catch-up is interesting. He said, as reported, that catching up has come to mean catching up with other unions as much as with the cost of living. Catch-up agreements must in no way be viewed as precedents for other groups with no legitimate catching up to be done.

You are not that naive, are you, Mr. Minister? Of course, Mr. Speaker, I say that through you. I am not complaining about the person who wrote the speech, but the minister should have read it before he delivered it. That statement was made after the minister and his cohorts blessed the Perry report, thereby attempting to cover up the awful mess the government had got itself into previously by setting a precedent.

I say here and now that the rationale of the minister's remarks will not be accepted. I say to the minister that his type of thinking is not acceptable. The fat is in the fire. The minister is destroying the collective bargaining process as we know it, and he is in trouble. His troubles are so large that they defy the imagination. He will find it very difficult, if not impossible, to extricate himself. Of course, I say all this in a friendly way. The minister is a friend of mine; he comes from the Hamilton area. We are trying to do our best. The minister has been misguided, and for that I extend him my sympathy. I remind the House that the Minister of Labour said that this is a hell of a time for anyone to be minister of labour. I agree. But the minister is the author of his own misfortunes and will have to suffer the consequences. What will those consequences be?

Let us talk about the Vancouver grain inspectors. When the President of the Treasury Board (Mr. Chrétien) was asked a question about these inspectors earlier, he gave the stock answer, "Oh, well, we are negotiating and it would be irresponsible to say something concrete at this time." That was the gist of his words. I do not think I am revealing confidences in making this further submission. I am talking about the Vancouver grain inspectors. I am informed by an authoritative source that the government has a double standard, in that it has endorsed the Perry report involving increases of about 65 per cent and accepted a settlement for officers and deck hands of 75 per cent, but has offered only about 11 per cent to the inspectors, over 27 months. Is my suggestion regarding officers and engineers not correct? Do you think, Mr. Speaker, that others will not seek the same sort of settlement?

Let me point out, while I am on the subject, that the Minister of Labour in the past has been quoted as saying that workers working side by side and doing the same job should earn the same money. What manner of hanky-panky are we witnessing. The government is offering one group of workers about 11 per cent over two years and offering others who work side by side with them between 48 and 61 per cent. Is that what you call equal pay for equal work? Is that what we mean by the just society? As I have said, the minister will run into trouble.

My second point is this. The Vancouver grain inspectors have endorsed the Perry report as a fair criterion for the settlement of their current dispute. The minister must know the effect of what he is saying. He must believe in what he says.

My third point is this. Withdrawal of the services of Canadian grain inspectors would shut off movement of grain through the port of Vancouver. How does that apply to the minister's catch-up theory? I agree, this is one hell of a time for one to be Minister of Labour, and things are just starting to pop. These things are happening in our country because of this government's incompetence.

My last point is this. Treasury Board's offer is completely unacceptable and completely irrational. Where do we go from here? My points have concerned the grain inspectors. The minister may think that catch-up does not apply to everybody. He is wrong: it does. So much for the minister's argument about catch-up. There can be little doubt about the eventual effect on the grain industry, in negotiations and settlements, of the government's intervention in this situation. How did the government get into this mess? It was easy.

An hon. Member: They have a talent for it.

Mr. Alexander: As my hon. friend says, they have a talent for it. Dr. Perry, when he submitted his report to the Minister of Labour, made clear that it was only a

suggestion. But the minister has not said that. At no time since this affair began has the minister said that the Perry report was only a suggestion for action. Dr. Perry's covering note to the minister reads as follows:

● (1620)

As it has now become clear to me that the differences in expectations between the contracting parties—arising from a series of accumulated past issues as well as the special, inflationary circumstances of 1974—remain too wide to be resolved through further conciliatory efforts, I am, therefore, submitting for your consideration some suggestions—

That is the word the minister likes to hide because of the implications.

—which, hopefully, might form the basis upon which the two parties could ultimately enter into a two-year agreemment.

Consequently, the report was not intended to be adopted verbatim as the settlement proposal, primarily because it recommended granting the union more benefits than the union had requested. I understand the union did not ask for COLA. The union did not seek parity with the longshoremen. For some strange reason, and I do not question this, Dr. Perry recommended it. If the government did not know it, it should have, yet holus-bolus, in an overreaction it said, "Okay; that's for us. Let's grab it."

The government's adoption of the Perry report as a basis for settlement prevented any further consultation between the contracting parties. My information reveals there could have been a settlement, yet the minister, who is always projecting the virtue of the collective bargaining process, cut it off. This was told in no uncertain terms to those who had an opportunity to go to Vancouver and Calgary. There was some hope that these parties could have reached a voluntary settlement—but no, the minister, the Minister of Justice and the Prime Minister could not keep their mouths shut.

The government could have used some discretion in this matter. If it really had had concern about what it was doing, it could have sent them back to work: a new referee, conciliator, or whatever you want to call him, could have been appointed. Perry could have been told to look at this matter again because there is a great deal of complexity and misunderstanding with regard to application of the COLA clause in the benefit structure. We could have been all right in that regard. I see the minister shakes his head. The government, instead, chose to arbitrarily employ the Perry recommendations as a settlement tool and to publicly criticize the grain elevator companies for their refusal to accept the report's recommendations, further alienating the western agricultural community by forcing that community to take such a demeaning position.

In the whole of Canada, in the second quarter of 1974, the average annual base rate contract agreement increase was 12.6 per cent, in compounded terms, compared with a first quarter, 1974, figure of 11.4 per cent. The average increase in one-year agreements was 14.3 per cent; in two-year agreements, 16.4 per cent for the first year and 10.2 per cent for the second; and in three-year agreements, 13.2 per cent, 7.5 per cent and 6.4 per cent for the first, second and third years respectively. Is the Minister of Labour not aware of these figures?

In British Columbia in particular, in the second quarter of 1974 the average annual base rate increase was 15.7 per cent. Yet the Perry report recommends a settlement of 17 per cent in the base rate for the first year, plus additional increases for pension improvements and fringe benefits equalling 8 per cent and 4 per cent respectively, as well as cost of living adjustments. Yet the Minister of Labour claims that this settlement is not excessive in the labour context of British Columbia. Not only is it obvious that the minister is slightly out of touch with the intricacies of the labour situation on the west coast; but it is obvious that he is slightly out of touch with his own government's so-called anti-inflation policy as outlined only one week ago. The policy to which I refer is contained in the following excerpt from the throne speech:

For its part, the government will exercise restraint in its own expenditures ... while controlling expansion of new activities which, although desirable, would contribute to inflationary pressures.

Restraint is the only policy the government has managed to come up with to fight inflation. But restraint begins at home. While the government asks business to practice voluntary restraint in an effort to combat spiralling inflation, it allows its own spending to increase by 21.9 per cent and gives its own employees arbitration awards which do little but feed inflation. Between 1966 and 1973 the cost of living rose 26 per cent. Federal wages increased 50 per cent. In 1974 the government is expected to pay $4,010 million in wages to its employees, up from $3,638 million in the previous fiscal year.

Paramount in illustrating federal government excessiveness in previous contract negotiations is the recent arbitration award granted to 673 federal information officers. This group signed a 27-month contract which grants a 15 per cent increase within 12 months and only three months later grants another increase equal to the rise in the cost of living over the previous full year. This adds up to an increase of 30 per cent over a full 15-month period. I do not know where we are going.

Public Service Alliance president Claude Edwards says that other groups will begin to demand the same comfortable settlement as that awarded to the information officers. In other words, this is now regarded as a precedent for other groups within the jurisdiction of the Public Service Alliance. This is restraint? When you relate this whole matter to the Perry report and the minister's blessings of the same, you can readily understand the kind of problems which confront the minister.

We are being asked to approve a piece of legislation which will obliterate the word "restraint" from the context of the Canadian economy. We must keep in mind that in December of this year approximately 90,000 railway workers, 33,000 postal employees, east and west coast and St. Lawrence longshoremen, and Lakehead grain handlers will all come to the bargaining table. What will prevent their insisting that the Perry report recommendations be extended to their contracts, and what justification will there be for refusing them if the measures now before us become law? This is the ramification: this is the matter about which we are concerned.

We do not have an anti-inflation policy in this country. In the absence of such policy, the only people who can protect themselves adequately are organized workers. They are the only workers able to exert any kind of pressure. In Canada at the present time there are 2,556,000

unionized or organized workers, representing only 25 per cent of a total labour force of 10,152,000. Therefore, nearly 75 per cent of the total labour force is wholly unprotected against inflation, not only because they are not organized but because their government has not yet faced up to the reality of inflation.

What could illustrate this attitude more adequately than the fact that parliament is now being asked to vote into law legislation that will exert excessive inflationary pressure on the economy and will establish a benchmark precedent which will be used as a further basis for protecting those already cushioned from inflation? If the government insists on being excessive, then let their excessiveness be directed to the neglected 75 per cent of the labour force who desperately require an anti-inflation policy.

I have attempted in all sincerity to bring before the House the legitimate concerns that we on this side have faced and have wrestled with ever since we journeyed to Vancouver and Calgary. We knew that in the long run a position would have to be taken. I have indicated our concern about the proposed settlement being inflationary. Second, I have stated that the spin-off as a result of a benchmark being set would be damaging to the economic well-being of this country. Third, I have stated that there is no awareness of the need to come up with solutions which will bring stability and order to the grain handling industry.

Fourth, the Perry report was not final but, rather, offered suggestions which might have formed a basis upon which the two parties could ultimately reach agreement. Fifth, the bill obliterates the word "restraint" from the government's thinking and its approach to finding solutions to halt or to reduce the two figure, runaway inflation. It disregards 75 per cent of the labour force least able to protect their shrinking dollar. The imposition of the role of arbitrator upon the federal parliament, with power to determine an agreement, is wrong.

● (1630)

In the light of all these circumstances, we find the bill unacceptable, and accordingly we shall not vote for it on second reading.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, once again parliament has been called upon to legislate a settlement in a dispute between management and its employees at a stage of a lock-out or strike and, in the process, to order management to resume full operations and the employees to return to work.

Along with the other members of my party I have always believed the collective bargaining process must be allowed to proceed freely between the two parties concerned, with every encouragement from government and the public, as well as from those more directly concerned with the dispute. We must always do all we can to encourage free collective bargaining preferably with no interference from outside parties.

There is a role for government, at each level, to play in the process of encouraging free collective bargaining. This principle has long become part of our society after decades of struggle by working people in Canada. It is accepted even by those, some of whom sit in this House, who pay only lip service to the principle. They know it has become an essential part of relations between organized employees and their employers.

Before I go further I wish to say that over the years the overwhelming majority of labour-management disputes are settled through free collective bargaining without strikes or lock-outs, and that most of them are settled amicably. Relying on my own memory I believe that between 75 per cent and 90 per cent of contracts are renewed each year without resort to strikes or lock-outs. This speaks well for the success of the bargaining process.

For every strike or lock-out which occurs, there are nine or ten other disputes which are amicably settled by collective bargaining. But to judge from headlines or the opening news lines we hear over radio or t.v., one could easily be lead to believe that collective bargaining doesn't work although, in fact, the opposite is the case. It does work, and it works well in most instances. However, like all processes it is not perfect since so much depends on the good faith, good will and real desire to reach agreement on the part of the human beings involved on both sides of a dispute. This is why I say there is always a role for government to play, in the area of conciliation and even arbitration, on those few occasions when the bargaining process breaks down.

We in this party do not like to see parliament overriding the bargaining process. I am sure this is the feeling of most if not all hon. members in this chamber. However, we recognize, as we have on previous occasions, that when the bargaining process fails and there is a serious interference with the welfare of the nation or a significant section of the nation, there comes a point at which government should intervene to end a lock-out or strike, to resolve the dispute and, as a last resort, to order men back to work and require employers to resume operations, as is the case in the legislation before us.

Nonetheless, there is a commonsense way for government to intervene and I do not think this course has been followed. In fact, I am compelled to say that the Minister of Labour (Mr. Munro), with the assistance of that walking disaster looking for a place to happen, the minister in charge of the Canadian Wheat Board, (Mr. Lang), acted ineptly when they announced publicly that the government would legislate on the basis of the Perry report. What little experience I had on one side or the other of the bargaining table, when a third party appeared to assist, at no time did the third party make public statements which could be construed by either of the other parties, as taking sides.

Surely, there was a more commonsense way of indicating the important role which, once in a while, it is necessary for the government to play. The public statements made by the Minister of Labour and the minister in charge of the Wheat Board effectively prevented any resumption of collective bargaining in this instance; one side or the other needed only to sit back and wait for the inevitable legislation. The ministers should have been much less concerned with public posturing and more concerned with getting the dispute settled.

I have talked with the farmers and workers about this dispute over the past five or six weeks. The message I get,

particularly from the farmers in my constituency, is this: get the dispute settled, get the men back to work, get the grain moving. They say this regardless of the merits or demerits of the case put forward by the companies or by the employees. That is the first priority in the minds of the farmers of western Canada. This is why we feel the bill should be dealt with expeditiously. It could be out of this chamber tomorrow, certainly on Wednesday, and it could be the law of the land by Friday at the latest. We still feel the measure should have gone to the Committee of the Whole, or, failing this, that the standing committee need call only the minister and his officials as witnesses in the interest of getting the legislation through quickly.

● (1640)

This is the fourth or fifth time, if my memory serves me correctly, that parliament has been put in this position as a result of an industrial dispute, and until one basic issue is solved it is a situation that will face us almost annually in one industry or another. The issue is basically one of parity. To secure industrial peace in any sector of our economy, parity, or to use a better word, fairness, is essential.

Farmers in my constituency, certainly in western Canada and I believe in all Canada, are fair people. They want to pay their employees fairly, and they are willing and want to provide good, clean working conditions. They want fair working relations and agreements with their employees. Both sides to this dispute, and all of the members of this House, must face up to and deal once and for all with the issue of parity in this industry.

So long as you have the situation where one group of workers receives substantially more pay than another group of workers, doing relatively the same work on the same work sites, you must face the problem of parity every year, indeed daily. I say this because it is intrinsically unfair to permit that sort of situation to continue.

This is not the first time, as I said earlier, that this issue has arisen. I recall when I was an employee on the railway in the forties and fifties that the issue of parity, of fair pay for the same kind of work, was always before us in our negotiations year in and year out. It was not until that issue was reasonably or satisfactorily settled that progress was made by both sides in railway wage negotiations. The same can be said of the auto workers.

I suppose the instance most spoken of—and my good friend from Hamilton West (Mr. Alexander) mentioned it—is that of the seaway workers. One can say what one likes about the 30 per cent settlement that Mr. Pearson's government awarded, but I would remind the House that ever since then we have had relative industrial peace on the St. Lawrence seaway. This is because the issue of parity was met head on and dealt with.

In that case you had a situation where men working 150 feet apart for the same employer and doing the same job had a wage differential of $1 to $1.50 an hour, and the higher paid workers were on the U.S. side of the border. Once that issue was met and dealt with, and the reality finally faced by parliament, relative industrial peace has been maintained on the St. Lawrence seaway.

The Perry report goes some way toward meeting this issue and facing this reality. Farmers I have talked to, almost all of whom are active members of the Saskatchewan Wheat Pool, recognize that this problem has been in existence for years, and they have honestly and genuinely tried to grapple with it, as have their employees. As I say, the Perry report goes some distance toward this end.

I for one do not want to be faced with coming back here a year from now to deal with the same issue in the same industry all over again. After the end of the first year the Perry report award still leaves the grain handlers about 25 cents an hour, and another 25 cents an hour in pension contributions, behind the rate paid to the longshoremen. At the end of the second year they will be relatively even—not completely, but reasonably even.

However, some time this winter the longshoremen will be negotiating a new contract with their employers, and the odds are that they will be given some kind of increase. This means that the grain handlers, even with the increase awarded by the Perry report, will once again be some distance behind the longshoremen with whom they work side by side. I submit that in that event the same problem could be back in front of us once again.

In these kinds of circumstances it seems to me that it will take three or four years of progression before a reasonable semblance of parity is reached. I believe, I hope not naively, that the employees and employers will be prepared to take the time to reach a settlement of the issue of parity progressively. My information—I think all hon. members are aware of this—is that discussions are now going on concerning a merger between the grain handlers and longshoremen. In the long run I believe this will be in the best interests of both the employees and the grain companies. Although it may be painful at times it will go a long way toward ending, once and for all, the issue that men who do the same work should be paid fairly.

The other matter that has been bothering me, and which I know has been bothering people in my constituency, is the cost of the settlement compared with the cost of the dispute. On the figures contained in the Perry report, the estimate of the grain companies is that the cost of the settlement will amount to some $3.8 million over two years. I have had different figures from both sides to the dispute, and also from neutral sides, regarding what this means to the farmers' pocket. The employees say it will cost about half a cent a bushel. The companies feel it will cost one cent or 1.1 cent a bushel. But even if it costs 1.5 cents a bushel, the farmers say to me "Settle and get them back to work".

Mr. Vogel of the Canadian Wheat Board has presented figures showing there will be $10 million in demurrage charges this year alone, something in the order of almost three times the cost of implementing the Perry report recommendations. In light of that, and in order to face up to the basic issue of parity, I believe, as many farmers have said to me, that the cost of settling will be far less than, and far preferable to, the cost of the dispute. In other words the dispute is costing the farmer two or three times as much as the Perry report recommendations.

I want to say one other thing about demurrage charges. This question has been raised before. The minister in charge of the Wheat Board has been asked and pleaded with countless times, by members of parliament, farmers and farm organizations, to deal with this issue, one that

also has to do with fairness. I am not just talking about fairness for the workers but fairness for the farmers. If through no fault of the farmers demurrage charges are assessed, on waiting vessels, surely it is intrinsically unfair to require the farmers to pay those charges? Surely this is a proper charge on the nation as a whole? If, through a breakdown in industrial relations, a failure in our transportation system, or on account of weather or for countless other reasons, the loading of boats is delayed, then surely the cost of that delay should be borne by the nation as a whole, and not levied solely against the farmer?

● (1650)

If the government wants at least to appear to be even-handed and fair in this whole matter, in addition to the legislation we are dealing with the minister will announce tomorrow that the people of Canada, through the government, will pay these demurrage charges.

There has been much said about how much these Perry recommendations will involve. Both sides have come up with figures. I think we can now rely on the figures put out on August 29 as reported in the Vancouver *Sun*. That article was based on a statement by Mr. A.M. Runciman, who heads the United Grain Growers, in which the grain companies came up with a new figure in respect of what the Perry award would cost. The new figure is somewhat less than they originally suggested. The workers in turn came up with a figure somewhat more than they had originally said.

This article states:

"This is the figure (48 per cent) we wished had been used all along," declared A.M. Runciman, President of the United Grain Growers, in an interview from Winnipeg.

Runciman said 61 per cent was "valid" on the basis it was used, but "48 per cent is a more balanced presentation."

"We were not kidding anybody with the 61 per cent on the basis of the $4.96 wage rate," said Runciman, although it had been widely quoted as the calculated increase on both wages and fringe benefits of the Perry report.

I hope that anyone else who may take part in this debate, for whatever purpose, either to magnify the amount of the award or, on the other side of the coin, to argue that it is not sufficient, will not bandy about the 61 per cent figure. From Mr. Runciman's statement, we should now rely on the 48 per cent figure.

I have spoken about farmers being fair. I suggest that they are and have no desire to treat their employees unfairly, but they must be in a position to treat them fairly. When economic conditions hurt them their ability to treat their employees fairly decreases. I am confident they are willing to accept the one-cent a bushel cost in order to get the grain moving again, although perhaps not with a smile, but they would more willingly accept it if something were done about the other costs which far outweigh the cost of this increase. The one cost to which I have referred is the demurrage charge. That should not be taken out of the farmers' pockets by the Canadian Wheat Board.

Let me give another illustration of what I mean, Mr. Speaker. A farmer, with whom I spent almost an hour speaking on the telephone the other night, told me about costs and gave me this illustration. A 64-inch plastic belt

[Mr. Benjamin.]

for his combine cost 79 cents in 1967, and cost 89 cents in 1968. Last week the same belt cost $4.88 and the farmer had to buy two the same day.

I suggest that if we want to prevent the possibility of this kind of dispute taking place in this industry and in others in the future, it is long overdue on the part of the government and parliament to act in respect of these kinds of costs to our farmers.

I have a stack of papers before me which includes reports, charts, statistics and figures on both sides to the dispute, and from our own research people in the government. I have listened carefully to both the minister and the hon. member for Hamilton West (Mr. Alexander). I do not think this is the occasion for members of parliament to use up time going into all the details in order to present the arguments put forth by both sides.

The purpose of this legislation is to end the dispute, end the work stoppage and get grain moving. I am not sure how much a detailed debate would accomplish at this point of time, particularly in view of the fact that these arguments have been put forward by many people for almost a year, and I doubt that any airing we might give the facts here would shed any further light. What we want to do now is deal with the matter quickly. Therefore, my colleagues and I urge that we not only limit the length of speeches but also the number of speeches in order that we can implement this legislation.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Housing—Consultation with provinces to expand programs; the hon. member for Winnipeg North Centre (Mr. Knowles)—Social security—Suggested increases in family allowances and old age pensions—Government position; the hon. member for Lambton-Kent (Mr. Holmes)—Agriculture—Request for progress report on re-establishment of sugar beet industry.

[*Translation*]

It is customary at this time for the House to proceed to the consideration of private members' business, but since the draw of private members' bills and motions will take place only tomorrow, no such business will be considered at this time.

In consequence of this, the House will return to the consideration of the grain handling operations bill.

[*English*]

As the draw in respect of private members' business will take place tomorrow, no business under this heading can be taken up at this time, as would normally be the case.

Therefore, the House will now revert to consideration of Bill C-12 dealing with grain handling operations.

GOVERNMENT ORDERS

[*English*]

WEST COAST GRAIN HANDLING OPERATIONS ACT, 1974

MEASURE TO SECURE THE RESUMPTION OF OPERATIONS

The House resumed consideration of the motion of Mr. Munro (Hamilton East) that Bill C-12, to provide for the resumption of grain handling operations on the west coast of Canada, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, since this is the first time I have had the chance to speak since the session started, may I first of all heartily congratulate the Speaker who will chair this session's debates and, hopefully, several future debates as well.

I wish to assure him that he will enjoy our wholehearted co-operation. The experience which I have gleaned through a few years in the House has led me to understand that the Speaker, despite all his qualities, needs the co-operation of all hon. members in order to discharge his fairly onerous duty and chair the debates for the good not only of the members, but also of all Canadians, whose representatives we are here, so that the debates can be led to their anticipated results.

Mr. Speaker, we are today starting to study a bill providing for the settlement of a strike which has been going on for several weeks on the west coast. The examination of this bill does not occur in a traditional setting. We had to adjourn the debate on the Address in reply to the Speech from the Throne to face a situation which has suddenly become serious. This strike has been going on for several weeks, as I stated earlier. Early in August, the Social Credit Party of Canada asked the government to resume parliamentary work in order to bring about an end to this trike, since we had foreseen that it would be a lengthy one. Our experience of previous conflicts led us to doubt that this strike could be settled without the government being forced to resort to legislation.

● (1700)

However, Mr. Speaker, the government turned a deaf ear to our claims and we were not alone in this. The other parties as well as farm and trade organizations throughout Canada called for government action.

The minister just told us a moment ago that the Governor-in-Council, at the outset of the election campaign, suspended the right to strike in this Pacific port until election day because it would apparently have been detrimental to the Canadian economy. But a few weeks too late, it is realized that the government did not fear as much for the Canadian economy as for the economy of the

Liberal party, because if a strike could affect the Canadian economy during the election campaign, its effect would be the same after the election. Still, the government waited three months before acting to put an end to this strike.

Mr. Speaker, we are aware that this method of settling a labour conflict is not too popular either with trade unions or with employers.

Given the context, this procedure is becoming popular with Canadians. And we know that a strike of such magnitude has a high cost to the nation's economy and everyone loses. Grain handlers in western ports are the first victims of the strike, but employers also lose. Grain producers, especially those in the Prairies, stand to lose much from the strike. Canadian trade also loses a great deal. On this point, I do not expect our overseas clients to be happy with those ever repeating strikes.

On August 31, 1972, a special session was called to settle a strike in western ports, quite similar to the one before us today. On August 30, 1973, almost a year to the day, a special session was called to settle a Canadian railroad strike, following an earlier one. On October 7, 1974, a special bill was passed to settle a strike in western ports, and in October 1975 we will probably be debating a bill to settle a labour dispute in some federal area, probably a harbour strike, maybe an eastern one this time involving the Atlantic or the St. Lawrence. It may be a mail strike, or a railroad or an air transport strike.

The same situation will probably occur next year.

Mr. Speaker, what are the provisions in the bill before us to settle the strike? Upon passage of the bill, the workers will be forced to go back to work. The strikers will have to return to work, the companies that imposed the lockout will have to call workers back on the job. The employees are told: You will get 87 cents more an hour starting December 1, 1973. An arbitrator is appointed to help settle the dispute, to find points of agreement, to negotiate a labour contract for the next few months.

But then, Mr. Speaker, if it is possible to appoint an arbitrator today in an attempt to solve the dispute, why could it not be done two months ago for instance to end this conflict which has caused so many problems at all levels of the Canadian economy? We waited until today. Mr. Speaker, a question still remains; probably tomorrow morning, or as soon as the bill is passed, the worker will be forced back to work, with an offer of 87 cents an hour. But how much will he get out of that increase of 87 cents an hour?

Part of this 87 cents will go to the Minister of National Revenue (Mr. Basford) who will hand it to the government of British Columbia.

Mr. Speaker, I expect the government to take in taxes 30 to 40 per cent of that increase which the companies will be forced to pay their employees. The worker will come out of that strike a loser because management will have to raise its freight rates and profits to meet the higher wages they will have to pay. But the worker, the grain handler who will be forced back to work tomorrow morning will receive only part of that increase.

He will get only part of that increase, and come out a loser. Mr. Speaker, it is the same thing at all levels,

whether it be in the public or the private sector in Canada. There is always a salary increase following a labour dispute. But every time the government takes its share of the increase, so the worker is always a loser. He always wants to boost his purchasing power but he is worse off than before.

Mr. Speaker, what the Canadian worker wants, be it in the field of production or public services, Pacific or Atlantic ports, transportation or private enterprise, is first and foremost a purchasing power high enough to allow him to meet his own needs and those of his family. That is what the worker is seeking, Mr. Speaker, and today that possibility is taken away from him on account of the price rise which is practically accepted and which seems to be encouraged because it suits the government. In the production field for instance, every wage increase means a price increase. Therefore, the government is taking not only a part of that increase through income tax, but it also increases its revenues indirectly through an increase in the federal tax and in the provincial sales tax. Therefore, the government wins on all counts.

That is why the worker is ever more deprived of the fruit of his work and is endeavouring by all means to strengthen his purchasing power. The only thing he can do at the present time, is to call for higher wages.

Mr. Speaker, such a situation cannot last any longer. If an effective way of putting an end to it is not found rapidly, there will never be any way out and we will get bogged down deep.

The bill before us will not solve anything. It will force workers, grain handlers in the Pacific ports to go back to work, but afterwards, we will have to start afresh.

We had a debate on August 31, 1972, during which the leader of the Social Credit Party of Canada, the hon. member for Témiscamingue (Mr. Caouette), said the following, which I am quoting from page 3910 from the official report of the House of Commons Debates:

> Mr. Speaker, Bill C-231 is not the solution to the problem. We know we will have to begin all over again, for the same causes generally produce the same results.

The leader of the Social Credit Party said that two years ago. We now face exactly the same problem in the same area.

Mr. Speaker, we must find other means to solve this problem, to avoid Parliament—having to deal with such conflicts time and time again. The Social Credit Party of Canada has often asked that a labour court be established, not to settle labour disputes, but to prevent them. This is what the leader of our party asked once again that same day in the same speech. He said, and I quote:

> Mr. Speaker, I suggest that a Canadian labour court be created as soon as possible in order to prevent disputes and to maintain the best possible relations between labour and management.

Mr. Speaker, this suggestion should be accepted and recognized by the government. It is up to the government to decide whether to institute such a labour court, as I said, and as was said often before, not to settle labour conflicts, but mostly to prevent them.

Mr. Speaker, this will obviously not be sufficient if the government does not take the necessary means, not only to stop the present increase in the cost of living, but also to

[Mr. Laprise.]

reduce it so that the Canadian dollar may regain its former value. In this way, the Canadian worker who lives on a pension or a fixed income, who has saved some money, will not lose the value of his dollar. Mr. Speaker, I believe that the government has the duty to control inflation, and that this should be done even before the institution of a labour court.

Mr. Speaker, those are two important subjects with which the government should deal immediately. It must do so during this session if it wants to act seriously and be taken seriously by the Canadian voters. Everyone suffers from the situation, and there is no saying that our overseas clients may not tire at some point or other, whether it be in connection with grain or other goods we offer them, of seeing those delays occur at every turn and look to other producers, to other exporting countries. There again, we would suffer from not being able to export our surpluses.

Mr. Speaker, that is the message I wanted to contribute to the debate on this bill. As for me, I feel it should be passed as soon as possible, to put an end to a conflict which has lasted much too long; we should also take the necessary steps, during this session, to ensure that this situation does not constantly recur in the future as it has especially in the last few years.

● (1710)

[*English*]

Mr. Ralph E. Goodale (Assiniboia): Mr. Speaker, it is not without a considerable degree of trepidation that I, as a freshman member of this House, rise to make my first remarks in this chamber in the course of this crucial debate with respect to the west coast grain handlers' dispute.

As the representative of Assiniboia constituency—one of this nation's greatest agricultural and, particularly, grain producing regions—this dispute and its settlement are of paramount concern to me at the moment. It is essential that the interruption in Vancouver grain movement be brought now to a speedy conclusion by parliament because it is quite apparent that exhaustive efforts—they have been exhaustive on all sides—toward a negotiated solution have not been, and will not be, successful.

I regret—as I am sure most hon. members of this House regret—the fact that we are here today dealing with this problem in this manner. Surely the floor of this House must not become the commonplace location for major labour-management negotiations in this country to take place. The prime responsibility in this area, through the collective bargaining process, rests—and ought to rest—with employers and employees. Under our laws, and in the national interest in most cases, they are quite properly called upon to sit down together to resolve their differences, find common ground and reach contract settlements without damaging slowdowns or destructive work stoppages, and without possible mischief or violence and the eventual necessity of parliamentary intervention. But in the present circumstances, parliament has no alternative but to take this action, and I hope expeditiously, to conclude a contract so that our grain exports through Vancouver can resume.

I must say that I appreciate the view expressed by the spokesman for the New Democratic Party, that his party wants this legislation to move forward quickly so that grain can begin to move through Vancouver. I regret the attitude of the official opposition, which seems not to be very concerned about the situation at the moment.

I suppose somewhere in the annals of our industrial history we might find what could be described as examples of perfect negotiations or perfect industrial relations. But most surely these examples would be few and far between in our less than perfect world. The present situation in Vancouver falls far short of perfection when viewed from almost any perspective, and the difficulties of this past summer have taken place against a sorry background of sour relationships and discord extending back more than a decade. In view of this sad history, I particularly welcome the proposal today by the Minister of Labour (Mr. Munro) that an industrial inquiry commission will soon be appointed to thoroughly investigate the history of labour relations in the grain handling industry at Vancouver.

Requests for such a move have come from such diverse sources as the Palliser Wheat Growers' Association and, I believe, the National Farmers' Union. I know we will all wish the commission well in its work toward achieving a better industrial relationship between the grain handling companies and their employees. I am sure prairie grain producers are looking forward to an era of more stability in this field so that they need not fear further costly disruptions in the movement of their grain into export position.

● (1720)

There are two general issues with which I shall deal briefly. First, some parties in this House and outside have tried to paint the government as the ogre in this sad situation. I ask members, before they make their judgment in this case, to look carefully at the chronology of events which stretch back for one year. Negotiations began for a new contract on October 19, 1973, almost a full year ago. The existing contract was due to expire on November 30. Direct negotiations between the parties continued for almost two months, without success.

The parties requested federal mediation assistance about the middle of December, 1973. That assistance was forthcoming immediately and two skilled mediators struggled to find reasonable common ground for agreement between the parties. They worked for another two months but were unable to show signs of progress. A clear impasse had been reached and the Minister of Labour moved to appoint as conciliation commissioner Dr. Perry, who began his duties on February 15, 1974, four full months after discussions had begun originally. So this was hardly a premature move.

The appointment apparently was well received. Dr. Perry is a skilled man, an expert who is widely respected and well known in the field and, as the minister pointed out earlier, he had worked with these same parties a few years previously. It is interesting to note that amid all the controversy surrounding the dispute nobody has attacked Dr. Perry's competence, ability or impartiality. There has been criticism from some sides of the recommendations he put forward, yet nobody has attacked his ability to deal with the situation or his competence in the field. Dr. Perry worked with both sides for 2½ months but was unable to draw them together. Finally, he produced a report recommending what he saw to be a fair and reasonable settlement.

Mr. Fraser: Surely it was a basis for settlement.

Mr. Goodale: Yes, it was a basis for settlement. Those words are important. This was the best advice available to the parties and to the government of Canada. Clearly, he had done a sound and thorough job in the circumstances. The Perry report in itself was the end product of this particular collective bargaining process. We must keep that point in mind. It was a process which the parties themselves over a period of 6½ months, with all the help in the world, had failed to make work.

What was the government to do with Dr. Perry's report? Could it reasonably, after all that had gone before, say, "No, we don't particularly care for this report. We will put it aside and appoint another conciliation commissioner who will work with the parties for another 2½ months and produce another report which we may or may not accept?" And on and on the process could go.

Clearly, once the parties directly involved in the negotiations, the employers and employees, had allowed their negotiations to deteriorate over more than half a year to the point where an expert, impartial third party had to investigate the situation and produce a thorough report, with recommendations, all the parties, the employers, employees as well as the government, had to be prepared to give that particular report some credence, authority and weight. The view adopted by the government was that the Perry report could not simply be tossed aside as unworthy of discussion.

The government urged this view on all sides, privately and eventually publicly. The workers agreed to it, the companies did not. To ensure continued grain movement during the period parliament was in dissolution, the government acted under section 181 of the Canada Labour Code to prevent a strike or lock-out, indeed to prevent a stoppage in grain exports, until August 8. All the while efforts continued at the official and ministerial level to have negotiations resume on the basis proposed by Dr. Perry. His report was clearly intended to be a basis for further negotiation, but this negotiation did not prove successful. Finally, in late August all work stopped. Exhaustive efforts to bring about a voluntary settlement failed. Further efforts would be pointless. And here we are today.

Allegations of blame are not helpful if we are to reach lasting solutions to difficult problems of this nature, but I believe two points should be put on record. First, once it was made clear to the representatives of the union that the government, if forced to do so, would legislate an end to the dispute on the basis of principles contained in Dr. Perry's report—again, these words were carefully chosen—there could be no excuse for continuing a work slowdown which hampered grain movement. That course of action was not responsible, and perhaps contributed to the further deterioration in relations. It certainly added to the harm done to western grain producers.

Second, once it was made clear to the companies that the government, if forced so to do, would legislate on the basis of Dr. Perry's principles—again, these are important words—it was illogical for them to persist in refusing to discuss the report and work out a settlement on the basis of the report. The final result, as we are witnessing today, was clearly inevitable. The companies said they were standing on principle in demanding parliamentary action. But it should be borne in mind that that standing on principle resulted in substantial losses being borne by prairie producers. They are losses which could have been avoided if the companies had accepted voluntarily, several weeks ago, the result which they then knew would be inevitable. If they had wanted to avoid responsibility, if they had wanted a scapegoat, they could have pointed the finger at the government. In the meantime they could have saved western farmers several million dollars.

It is interesting to consider the figures to which the hon. member for Regina-Lake Centre (Mr. Benjamin) referred.

Mr. Benjamin: The grain companies do not pay demurrage; the Wheat Board does.

Mr. Goodale: Demurrage charges totalling nearly $10 million have been incurred over the past several weeks, because grain has not been moving. As I said, it is interesting to note the figures mentioned by the hon. member for Regina-Lake Centre. For instance, the total cost of the increases suggested by the Perry report might be $3.5 million, perhaps $4 million, over two years. The demurrage charges alone which the Wheat Board has had to pay would have paid 2½ times for the increases in the new contract.

Given this recent chronology of events, the long history of sour labour relations in this industry on the west coast and the difficult attitudes adopted at times by both sides, and given the work done by Dr. Perry in his 2½ months of effort, the government's action in the circumstances has been fair and reasonable. Let me point out—this is particularly important to grain producers—that if the government had pursued a course of action other than the one it did, we probably would have seen a full work stoppage, perhaps a violent one, not in late August but perhaps in May, in April or even earlier. The grain kept moving, albeit at a slower rate, until the last week of August. That, in itself, was a considerable contribution in view of what might have happened.

Let me say one final word about the figures. Percentages have been mentioned in this House, in the press and elsewhere. Anyone who wants to put forward a view can sharpen his pencil and come forward with calculations in its support. When you break it down, Dr. Perry in his recommendations makes three separate points. They must be separated, because if you try to add them together you are adding apples and oranges. He talks about wages, about a cost of living adjustment and about a pension plan. If you break down the wage figures, you will see clearly that the increases range from 31 per cent to 32 per cent over two years, which is 15 per cent of 16 per cent per year. In terms of the situation in Vancouver, perhaps even the national situation, that would not be out of line when you are talking about a wage package exclusive of a cost of living adjustment.

● (1730)

When considering the pension plan provisions, bear in mind there had not been, by and large, any effective plan in place for the past several years for these particular employees at Vancouver. Clearly, the pension plan figures cannot be simply lumped in with the wage figures. There is a qualitative difference between an increase and having a pension plan at all. They cannot simply be added together to come up with some grotesque figure which does not fairly reflect the situation.

I do not want to take up any further time of the House dealing with the arguments pro and con the particular politics of the situation. As we go about our difficult task today, the problems are serious enough. I hope there will be a speedy resolution. None of us like the job we are called upon to do today, but I urge the House to pass expeditiously the legislation before us so that the crucial product, the grain, can begin to move. As this serious dispute ends, as the employees go back to work and the grain moves into export position, I hope all members of this House and all Canadians will heighten our resolve to find in the long run a better way.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the issue we are discussing today is like a gramaphone record I have been hearing for 20 years; the more things seem to change on the west coast, the more they remain the same.

I wish to congratulate the new member for Assiniboia (Mr. Goodale) for presenting the government case so logically. I congratulate him on his delivery. However, I must warn him that he will never succeed in being a lasting success in this House by becoming an apologist for those "two babes in blunderland" who wandered around on this issue this past spring.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): There is a mess on the west coast and everyone knows it. These stoppages we have had since 1965 are going to continue this fall, next spring, and forever after. If it is not the grain handlers, it will be the longshoremen or some other group. All I can say is that the job to which we should be addressing ourselves is how we are going to eliminate these perennial stoppages. All parties agree that is our job. I wish to direct my attention to what are the issues.

First, there is a gulf or gap between labour men and management that is too wide to bridge by the absolute and sterile methods now being used in labour-management negotiations. The rigidity and barrenness of this approach are not only hitting Canadian producers of grain, but hitting the world in a way the continuation of which we cannot tolerate. I am referring to the fact that there is a hungry world out there.

These working men and farmers know as well as I that we have a job to do. We know what stands in our way is this barren, sterile labour-management type of procedure that is laid down. It is not for me to lay down a new labour-management procedure. I just want the House to know that the misinformation given to us by the hon. member for Assiniboia is very simple. He talked about two months and four months of exhaustive negotiations. I can

assure this House that both management and labour agree on one thing. There were no real negotiations at any time. That is the first point.

I am not here to kick the Minister of Labour (Mr. Munro) and the minister in charge of the Canadian Wheat Board (Mr. Lang) around. I have more important things to do at this time. In passing over the events, I believe that management blundered badly. Because of its impatience it brought in this government machinery last fall and put itself on a slippery slope it could not get off.

I do not blame management for being annoyed when no negotiations took place. Suggestions for negotiations were put before them in the Perry report. The government stepped in and in effect said, "Even if there are no negotiations, we will legislate this proposal into being". By all the evidence on both sides, there was infringement of the legalistic type of labour-management negotiations which are set up under the government machinery. There is no debate on either side of the issue on that score.

All this talk and hammering at each other does not get at the question of stopping the grain stoppages. We must be aware, as we should have been aware for the past 25 or 30 years, that the food crisis is coming upon us in increasing crescendos. We have to do our part. The producers and working men both know this.

As pointed out by the hon. member for Regina-Lake Centre (Mr. Benjamin), the farmers want to move grain. They know that for years we moved grain through terminals on the west coast for a reasonable amount. We kept it at six cents a bushel because increasing costs were met by growing productivity.

Some of us from the PC caucus went to the west as a group of people, not to negotiate or interfere, but to determine facts. We found that what the Perry report and what various government officers in the negotiations talked about are altogether different from what labour wanted to talk about. Labour wanted to talk about how they could increase efficiency, productivity and get incentives for this new type of work force people they have to deal with, the young men. They wanted better communications with their boss.

As everyone knows, the bulk of the grain going through the west coast is put through terminals owned by co-operatives which have their headquarters on the prairies. These democratically owned co-operatives delegate to local management the running of these terminals. When they deal with the 550 men in this local, they do not deal with them as human beings. They hire the best lawyer that money can buy; $500 a day. To earn that pay, he is going to grind down on every point that he can.

We hear about the dirty tricks division of the politicians. You should see the dirty tricks division in this type of negotiation. I do not blame the lawyer for doing the best job he can to make the best deal possible for management. That is his job. However, this is not a sterile, barren situation where you are dealing with automation.

The young men in the labour force in that part of the country are the same as your sons or mine. They are 25 or 30 years of age. To them dollars and cents are not the only issue. They want to know why they have to work in that dusty, dirty environment, why there is only one toilet for 130 men, and why there are no shower facilities in some of these places. They want to know why they have these working conditions that most of us do not have to endure. They will put up with this if they know why.

● (1740)

These are modern-day human problems. Since labour wish to talk about efficiency and incentives or, as they call it, better communications, I think if would be easy to formulate a program of action. The bill before us does nothing to settle the basic grievances which have arisen on both sides, between two sincere groups of people, over the last 20 years.

The minister tells us he will appoint an industrial inquiry commission. I do not care how many he appoints. Any farmer I know, with half the brains he was born with, could sit down with his opposite number in this labour union, also with half the brains he was born with, and come up with a solution within two or three days without fooling around with an inquiry or anything else.

I realize the whole labour-management situation in the industry is in a mess and needs inquiry. But in this particular job, faced as we are with the challenge to keep grain moving, the first step in any action program should be to see to it that the presidents of these co-operatives and privately-owned terminals out there meet face to face with their opposite numbers in this little labour union. Let one of the terms of reference relate to ways of increasing productivity and, believe me, if these men do as they have done before, they will give us this increased productivity, and there will be no inflation at all.

Any agreement which raises wages even by 5 per cent is inflationary if there is no corresponding increase in productivity. But if these men, as they have done before—and thank God for it—increase their productivity, there should be no unwillingness to pay them more automatically without the silly farce of a strike. Therefore, as part of this action program, we need those directly affected—the leaders of the farm organizations, the employers and the heads of the labour unions—to meet in an effort to produce this new type of contract which includes productivity formulae and the provision of incentives, and to agree that grain, a food absolutely necessary in the world today, should be taken out of the field of labour-management disputes.

There is enough of an Irishman in each of us that we like a fight now and then, but these disputes should not result in the stoppage of vital food exports. I believe the longshoremen would also agree. I submit that the Perry report does not meet the criteria I have outlined. I have read it a number of times but I found no mention of productivity, no mention of increased efficiency, no mention of incentives for these men so that they would want to work—

An hon. Member: Not in the terms of reference.

Mr. Hamilton (Qu'Appelle-Moose Mountain): That is right. It was not in the terms of reference. That is what happens once one begins to think in legal terms and put these matters in the hands of lawyers. We should never forget that we are dealing here with human beings. My point is simple.

I do not care how fine the Perry report may be or how bad it may be. It does not meet the basic criteria which must be met in the interests of the farmers and the workers. It does not deal with the need for increased productivity or increased efficiency, possibly brought about by increased automation and so on. For this reason it does not deal with the root problem. And because it does not deal with these things it is inflationary. The employees do not want a settlement to be inflationary. They want to accept the principles of productivity, of efficiency, of incentives and, above all, of improved communications with management. If, by these means, they can move more bushels of grain through the port, there is no inflation involved.

In many industries it is hard to quantify gains in productivity or efficiency. But that is not true of the grain business. The number of bushels or carloads moved in a year, a month, a day or an hour can be precisely measured. If the men's ideas can lead to increased productivity I know the farmer will wish the workers get their reward for producing those ideas and putting them into practice. Similarly, if it is machinery or new technology which leads to increased productivity, management has the right to share in the gains as well.

I think it can be gathered I am speaking with some feeling on this subject because I had to endure some anxious times myself in 1961. After a decade in which the farmers had been completely up against it, we finally found a little market for 60 million bushels a year in China. And my experts in the department, in the Wheat Board, on the Board of Grain Commissioners, the Harbour Commission, and management out there, told me with great sincerity and conviction that it was impossible to move that amount of grain via the west coast. Well, Mr. Speaker, when one has fought so hard to achieve something it is awful to be told by the experts that you cannot do it.

I know nothing about moving grain, but I do know something about human beings. I asked the railway heads and the farm representatives and the labour representatives—17 different groups in all—to meet to consider this challenge. And, believe me, in five days those human beings doubled the productivity of those port facilities without a dollar being spent in new capital investment. Nearly all the ideas came from the labour side. The increased flow dramatically increased the gross income of the companies, and when I suggested that labour surely deserved some of it, management said, "Very well, 10 per cent will go to labour." This represented a 60 per cent increase, yet not one voice was raised in complaint, because productivity had been doubled. I am talking now about the basic wage.

When we added up the extra $1.5 million which went to them it meant an increase of 60 per cent in their basic rate. Workers came to me at that time and said, "We have worked for this company for 20 years but this is the first time we have met our boss, and he is not such a bad fellow after all". They gave their word that as long as the oral agreement then reached was in being there would never be a strike by grain handlers or longshoremen on the west coast.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

That was the situation until the companies made the mistake, in 1965, of hiring a lawyer who introduced a side issue of one kind or another. As a result, there was a breakdown. The companies, realizing their mistake, got rid of that lawyer and hired another. This brings me back to square one.

● (1750)

I think I should conclude, Mr. Speaker, by putting my arguments in point form. I should like to suggest that when the presidents of these grain companies sit down with their opposite numbers in the labour union they immediately agree, as they agreed in 1961, that we need a single grain allocation authority. Whether or not this be a transportation man, we need a grain allocation authority, someone who can direct the traffic and stop this silly sort of thing that is taking place in the name of competition.

Secondly, I suggest they accept the fact that we need a new grain handling system on the prairies to tie up with the modernization of the grain handling system on the coast. This has been held up for 25 years, for reasons that only people on the prairies understand.

Thirdly, I suggest they should discuss with the co-ops, and then recommend to the government, a new tax system that allows equality of tax treatment for private enterprise which is competing with the co-ops both on the prairies and in the terminals. That is the only way to protect the interests of both farmer and workers.

Fourthly, to get the grain moving and keep it moving, they should immediately accept the concept of a 24 hour a day operation in all the terminals, seven days a week, and put an end to the two shifts a day, five days a week pattern. They should work with the railways instead of against the railways.

I happen to know that there will be a volume of products coming through to the west coast greater than management knows about, certainly greater than even the labour fellows expect. These products that will be coming from the prairies in the next two decades are going to require tremendous efficiency in handling capacity on the west coast.

I should like to repeat that nothing is new, as I said in my opening remarks. But I felt keenly enough about this six years ago to propose a type of contract that now I hope labour and the company presidents will consider. These proposals were put forward in 1968, not in 1974, and are quite simple.

First, there should be a cost of living clause, and secondly, an agreed upon productivity gain rate, which gain would be shared on a formula mutually arrived at between management and labour. Thirdly, there should be constant negotiation to allow for external influences and new information. I assure you, Mr. Speaker, these words have meaning both to labour and to management. Fourthly, there should be provided built-in inducements to maximize productivity, and fifthly, participation of both sides in a program of labour supply, training, etc. Lastly, I would add a grievance procedure that could be activated continually and quickly. I suggest such a grievance procedure is obviously required. When men work under difficult and dirty conditions a fight soon develops, and it is better to

settle it within 24 or 48 hours than let it turn into a great sore.

I have taken my full time, Mr. Speaker, but I plead with the House, as I have on many previous occasions. We know that the Perry report is going to go through, and you cannot blame labour for accepting it. On the other hand, you cannot blame management for screaming its head off at the way things were handled. Nevertheless the real issue is to get at the basic problems on the west coast. Perhaps when we get all straightened around, since the system is more efficient by far on the west coast than on the east coast, we can then start work on the system on the east coast and bring about the same efficiency there.

Mr. Deputy Speaker: Is the Postmaster General rising to ask a question?

Mr. Mackasey: Yes, Mr. Speaker.

Mr. Deputy Speaker: Since the hon. member's time is limited, this can only be done with unanimous consent.

Some hon. Members: Agreed.

Mr. Mackasey: I thank the hon. member for his thoughtful speech, and I agree with much of his sentiment. However, I did not hear him so well over here, and I was wondering whether he said that in 1961, when there was a return to increased productivity, the men received a 6 per cent increase. Is that what he said?

Mr. Hamilton (Qu'Appelle-Moose Mountain): No, Mr. Speaker, I said 60 per cent.

Mr. Mackasey: I thank the hon. member.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I wonder whether I might answer the question further by saying that wages in those days, if I remember correctly, were around $5,600 a year. The extra amount to each man was roughly $3,500, which is where I got the rough percentage of 60 per cent. It was also agreed at that time, and management actually put this into some of their contracts, that there be a productivity clause, which would be taken into account in the next contract two years later. I was no longer minister in 1964 and the clause was dropped. So, I have now made a new proposal. Knowing the fellows on both sides of this issue I am positive that this is a basis they will accept, and we will then get away from the whole question of labour-management disputes involving grain movement.

[*Translation*]

Mr. Olivier: Mr. Speaker, may we call it six o'clock, and I will speak at eight this evening?

Mr. Deputy Speaker: Does the House agree to call it six o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until 8 p.m. this day.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. Olivier: Mr. Speaker, first I would like to congratulate you on your election and assure you of my full and entire co-operation in the carrying out of your duties which I hope will last for a long time. I also wish to offer you my services if necessary.

Mr. Speaker, in the discussion of the bill entitled: "An Act to provide for the resumption of grain handling operations on the west coast of Canada" we have to deal with the basis of negotiations for collective agreements and to show more especially how a conflict can deteriorate at the social and humanitarian levels. That kind of conflict can give rise to a crisis which can sometimes be called a national crisis, because those individuals must work to ship abroad the grain necessary for the survival of people. Those workers have to earn reasonable wages for their work.

My hon. colleague from Qu'Appelle-Moose Mountain made quite relevant remarks on the negotiation. He pointed out the need for continued negotiation in collective agreements. I would agree with him because I participated for seven or eight years in negotiations coming up every two or three years. One could see that those negotiations kept coming back on the same technical details. They were negotiated, and there was indeed a considerable loss of time. On the other hand, to have on-going negotiation, those parties would indeed have to act in good faith, and show respect one for the other.

I think that in this conflict management showed no respect at all for its employees. On the contrary, they refused to play their economic role by refusing to discuss negotiable demands and saying that Dr. Perry's recommendations were similar to those made in 1970. I do not consider Dr. Perry's recommendations to be so extravagant because in the province of Quebec about 100,000 workers in the public or quasi-public service now have that. If the expected rise in the cost of living is set at about 4 per cent and actually turns out to be 7 per cent I do not see anything abnormal in saying that the difference between 4 and 7 per cent is 3 per cent. This is a fair increase that the government of Quebec gives all its employees.

I think the recommendations contained in the report are a decent minimum for those employees, a minimum that will merely allow them to catch up on the dock workers who work with them everyday. I think that should be considered as a minimum that is certainly not extravagant and will not contribute to fuel inflation. I, for one, do not think that inflation is the result of salary increases. Many other factors cause inflation. When there is talk of productivity, of yield, no mention is made of the high cost of money, of the rate some people charge: there is a marked preference for talking about the rate of production of the human being.

To my mind, claiming that granting an increase to those people will cause inflation is trying to evade the problem.

I should also like to take this opportunity to congratulate the Minister of Labour (Mr. Munro) for the way in which he dealt with the problem. First of all, I firmly believe that he gave the two parties a chance to come to an agreement before asking Parliament to intervene. Let us go back to the beginning of the conflict. It will be recalled that in September of 1973, more specifically on September 17, 1973, the unions advised the company of their wish to negotiate. Here we are in October 1974 and negotiations between the two parties have been a complete failure. Why? For several reasons, and I believe the preamble to Dr. Perry's report should be quoted to understand precisely what the merits of the claims and why it was impossible to reach an agreement based on compromise before being forced to pass an act of Parliament.

Dr. Perry said in part that the effects of the rising cost of living, especially in the second year of the old collective agreements, gave the workers a distinct feeling of being cheated and a sound conviction that the loss in purchasing power should be made up one way or another.

Widely spread uncertainties as to the future trend of consumer prices had stirred up fears with respect to the validity of a long term contract at this time.

There were other important considerations. For example, there was no pension plan for the whole industry on the west coast. A pension plan without contributions was being established; there were also frequent cases of higher wage scales in related industries, clear differences in the hopes of both parties regarding what could be achieved in that year through amendments. Furthermore, the negotiations were made difficult by previous negotiations.

In such circumstances, the subsequent recommendations could only indicate a series of provisional changes which both parties could accept while trying to reach an agreement in such a difficult year.

I think that in the previous conflict between the companies and the employees lies the explanation for the sad state of these negotiations.

There are probably some difficulties with the union, but most of all there is bad faith towards the western coast employers.

A quick look at the recommendations Dr. Perry made is enough to make one wonder why the parties did not agree.

First, as far as money is concerned, the people are asking for a 15 per cent increase that Dr. Perry supports. And we learned from the minister that the annual pay rise in British Columbia last year was 15.7 per cent. Therefore, I do not think that Dr. Perry was overly generous in making this recommendation.

Second, to contend, in 1974, that there must be a two year contract is to me quite normal. That was another rejected recommendation.

Third, he said there will be a further general increase of 65 cents as of December 1, 1974.

Fourth, he referred to cost of living adjustments to hike any increase of more than 4 per cent a year.

At the outset I explained that this practice is frequent, at least in Quebec, in the civil service and related bodies since 1970. I can't imagine why workers on the waterfront could not be granted similar benefits, whether they are

employed by government or private enterprise. If private enterprise really wants to show leadership and demonstrate that it has a social part to play in Canada, it is in cases such as this one that it should do so. If they are not of good faith and force us to sit today, then these companies compel us once more to settle problems they brought on themselves. What employer today would dare refuse to grant a pension plan? It is indeed impossible to understand that such employers still exist. Most of the changes proposed by Dr. Perry are minor changes in the area of employer-employee relations. Indeed they are far from being major changes.

● (2010)

Mr. Speaker, I do not know where we could go if we had such firms everywhere in Canada. First of all, our time would be spent intervening between unions and employers, something I should greatly deplore. In my opinion, the settlement of a conflict ought to be left to the parties involved.

This is a very special situation. For the past year and a half, the government has been at least trying to appoint a special investigator to help settle the problem between the parties, and it is realized, after reading the report, that there was always one party which refused to accept Dr. Perry's recommendations.

The management knew that it just did not have to accept. To wash its hands of the matter, it knew that someday a responsible government like ours would take means to solve the problem, and that once we had passed this law, the company could tell its employees: "Well, I have to live with this, I give it to you because the government is forcing me to do so." This is not how we shall create some sort of harmony between the unions and management.

I call on the good will of these owners to review entirely their philosophy concerning the attitude of unions. They must realize that, in 1974, unions are here to stay. They have a role to play and they do so. Of course as a politician, I have to face up to the consequences of this, the same as everyone else. What the unions are asking is not always convenient for us, but they have contributed greatly to social evolution in Canada. In their own way, through the mandates they have received, they have contributed to improve the situation of a great majority of the population.

If we can accept this, if we can stop looking for lawyers to study continuously the legal aspect of issues, the situation will improve. My colleague from Qu'Appelle-Moose Mountain (Mr. Hamilton) pointed out that whenever a lawyer is hired to look into a labour conflict issue, the problem remains unsolved for months. Mr. Speaker, the best example of this, I have witnessed in my constituency. The United Aircraft of Canada Limited hired the best lawyer, in other words the dirtiest they could find, to try to defend their cause. The workers have been on strike nine months and, according to the company, they will stay on strike for a long time. The company amuses itself by finding legal points to embarrass the union and not to solve the problem. The fact that they have 2,700 strikers on their hands, does not disturb them but let the strikers hire a good lawyer to represent them, that disturbs them. The

company keeps on doing research work and spends millions of dollars in fees to security agencies and all that kind of thing.

I might say in passing that I disapprove of that kind of employer that may be found in western Canada just as I do in my constituency. I believe it is immoral in 1974 not to be able to accept that a negotiating agent, duly commissioned by its members, duly accredited, be not held in respect. Those employers will never be respected by others.

Whenever employees are being prevented through their agent to accept negotiated settlements, it is bad. And it is still worse in this case because a conciliator makes recommendations, the union accepts them and the employer says that he does not accept them. Then the employers will come and say that unions contribute to the disruption of social order, Mr. Speaker. That is what they will say very soon. And it is the comment we often hear. If the employers really want to be held in respect by unions, they must also begin by showing respect for their employees and in order to do that, let them show respect to their negotiating agents.

Mr. Speaker, that is one of the best examples of employers who cannot adjust to the 1970's, who cannot adjust to social changes. That reminds me of a group of conservative men having a little business of their own, who want to preserve it and are anxious to keep their rights. They will have to learn that there are employees who allow them to make profits. If this is so I do not see why these employees should not benefit also.

Mr. Speaker, Dr. Perry's recommendations are minimum ones. In 1970 this was already being negotiated in Quebec. Now we have them in 1974.

I think it would be indecent to maintain here that we will contribute to inflation in Canada because we are giving a 15 per cent increase to some employees. There are bosses, Mr. Speaker, who will "screw" us for 60 per cent. And the bosses, the big consortiums, will "get" us even more by trying to "get" us with their income tax returns. You do not have to worry, that is where they make their money. And they are quite capable of doing this. After that, they tell us that because we are granting a 15 per cent raise we are contributing to inflation. They are really indecent.

We are quite lucky in Canada to have people who can respect the law and who are conscious of the fact that if they do not win there is a government who can support them. That is what is important.

I said before, Mr. Speaker, that the Minister of Labour (Mr. Munro) really did good work in this case. I also said that I absolutely did not want government intervention between management and unions to become a normal procedure. I think that the Minister of Labour gave us an example of the patience one can have. All this started exactly on September 17, 1973 and we are now in October 1974. I think that the Minister of Labour has given both parties their chances and if management had really wanted to negotiate and accept Dr. Perry's recommendations we would not be in this position of being forced to vote a law to get respect for what is a vital minimum today.

[*English*]

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to take part in this debate I would like first of all to compliment the hon. member for Assiniboia (Mr. Goodale) for rising to make his maiden speech on such a contentious issue. I listened to him carefully. At the beginning of his speech he outlined the problem and said he regretted very much that parliament has to be the final negotiator in the conciliation and the bargaining process when the two parties were unable to reach agreement. I am sure all members of the House regret this also. But he failed to tell the House why the two parties have failed to reach an agreement in this particular dispute.

● (2020)

Normally when you have a labour dispute the two parties meet from time to time, and meaningful negotiations take place eventually when each party realizes that the other is seriously concerned. I have yet to hear why negotiations broke off, but I think the reason is obvious. The minister in charge of the Wheat Board (Mr. Lang) has stayed out of this debate so far because his head is hanging low. He is the culprit. He is the person who deliberately intervened. As early as the first part of May he told the companies to settle for the Perry recommendation or the government would force it on them. It was at that point that meaningful negotiations ceased.

If I had been head of the labour union I would not have sat down to negotiate either. I would have known I had the government on my side and that, if I hung on long enough, the companies would be forced to accept what Perry recommended. The minister in charge of the Wheat Board erred in intervening as rapidly as he did.

I might accuse the Minister of Labour (Mr. Munro) of playing politics in trying to keep this sticky wicket away from the last election. He used section 81 of the Labour Act and said that there should be no walkout or strike for a period of two months after the election. That was within his power, and he had to do it because already the minister in charge of the Canadian Wheat Board had destroyed any chance for meaningful negotiations.

Members of the Liberal Party can rise in this House and call the grain companies anything they like but they should recognize when the negotiations stopped; they stopped when the government intervened. The Prime Minister (Mr. Trudeau), as I supposed he can do when he likes the minister who made the booboo, stepped in and supported the minister in charge of the Canadian Wheat Board. However, we have noticed a certain amount of demotion in the Liberal cabinet recently, and as suggested by the hon. member for Grenville-Carleton (Mr. Baker), there should be a few more.

The hon. member for Saskatoon-Humboldt (Mr. Lang) has done everything to destroy western Canada since he became a member of the cabinet. In the short time available this evening I want to point out that his actions during the time he has been a cabinet minister bear out his past actions. His first action was the well remembered LIFT program. Where did operation LIFT come from? It did not come from his brain; it is all outlined in the Canadian agricultural report submitted by the task force

on agriculture in 1969. It was dreamed up before he became minister.

Mr. Lang: You yourself recommended it in 1968.

Mr. Horner: I am sorry; you cannot find that in any quotation anywhere.

Mr. Lang: *Hansard*. I will show you.

Mr. Horner: The minister picked that idea out of that book and attempted to sell it to western Canada.

The minister can correct me if I am wrong. Wheat production fell by 150 million bushels in the following year. I may be out a little, Mr. Speaker, but the minister is indicating general approval of that figure. Any schoolboy can figure out how much wheat is worth today. Before August 1 at the elevator on delivery it was worth $3.50 a bushel. I hope the farmer gets $1.50 a bushel on final payment. A bushel should be worth $4 on a ball-park figure, so $600 million is what this minister has cost western farmers.

What did he do next? He brought in the grain stabilization bill. Parliament defeated that bill and saved western Canada millions of dollars. What was the next thing he did? He had a fire sale of barley across the world, selling at least 20 cents to 50 cents a bushel below the price he should have been getting. The minister nods his head in approval. He sold barley and failed to adjust the price of barley for a two month period.

The next thing he did was to devise a feed grains policy. The evidence is in the Canadian livestock report of 1972-1973. That policy cost the western feeder $50 per head for every animal he fed last winter. In an effort to bail out the western feeder this spring the government spent $3½ million per week subsidizing or supporting beef prices. One can figure that over 26 weeks that cost about $90 million.

Now let us look at the grain strike. The hon. member for Saskatoon-Humboldt asked the people in that constituency to vote for him. He is a minister in the cabinet, but I wonder if the people in Saskatoon-Humboldt realize that his position there has cost them millions and millions of dollars. I have already accounted for something like $700 million.

Let us look at April 10, 1974 and what Mr. Vogel, chairman of the Canadian Wheat Board, had to say about the rail strike. That strike was similar to what we had this summer. The minister failed to make his point in cabinet, and parliament should have acted long before he did. He failed to have any weight whatsoever in cabinet.

It is no wonder that many farm people believe the Wheat Board would fare better in the hands of the Minister of Agriculture (Mr. Whelan) who has power in cabinet. The rail strike was brought before parliament, and what did it cost us? According to Mr. Vogel during the rail strike last year approximately 45,000 boxcars representing 95 million bushels were lost, and vessel demurrage charges cost producers of western Canada hundreds of thousands if not millions of dollars. This year he said, "No, we are not going to pay any demurrage charges; the government is not going to intervene there."

[Mr. Horner (Crowfoot).]

This holdout is because the companies could have settled it any time, at the government's price, acceptance of the Perry report recommendations. According to Mr. Vogel, in this particular strike demurrage charges alone will come to $18 million. The minister in charge of the Wheat Board suggests they will only be $10 million. I will make a little deal with him. Will the minister pick up everything over $10 million? If it is not going to be a cent over $10 million what has he got to lose? He does not call me on that one, and that is too bad.

We have gone down a whole list, Mr. Speaker—operation LIFT, grain stabilization, barley sales, a feed grains policy, and a railway strike which cost Canada millions of bushels of lost sales and millions of bushels of potential sales. Now we have the grain handlers' strike. It all began quite innocently, as do most wage negotiations. The companies and unions sparred a bit and felt one another out. The companies asked for a conciliator and the Minister of Labour appointed one. The conciliator did not bring in a final sealed document, but brought in a list of suggestions which might be used in reaching a settlement.

● (2030)

The government has blundered. The minister from Saskatoon-Humboldt has blundered. Recently we witnessed firings from the cabinet. I suggest that that minister should be demoted. He is too involved with questions of justice and abortions to have time for anything else.

An hon. Member: Wait until he deals with marijuana.

Mr. Horner: An hon. member says, "Wait until he deals with marijuana." Somebody also suggested that he may already be dealing with it. In any case, whom are we to believe. Some say that these workers will gain 61 per cent, but the Minister of Labour (Mr. Munro) says they will get only 15 per cent. Witnesses should come before the committee to clear up whether the increase is of the magnitude of 15 per cent, 41 per cent or 61 per cent. How is the COLA clause to be negotiated? We don't know, but we are asked to pass this bill on second reading tonight.

The Toronto *Star* of October 2 says that we have inflation by the bushel in Ottawa, that giving the Vancouver grain handlers 60 per cent over two years is inflationary.

The Prime Minister (Mr. Trudeau) in his telegram to Mr. Runciman, President of United Grain Growers, said that the present settlement should not be considered as a precedent for wage settlements in other sectors of the economy, because the men in this dispute are trying to catch up with the longshoremen. Once they catch up, the longshoremen will go on strike to get ahead of the grain handlers.

The true test as to whether the companies have been the culprit in this matter is this: did they have difficulty in obtaining grain handlers? That will show whether they were stingy with regard to wages and working conditions. The answer is no. Grain handlers are available to any grain company operating on the west coast. So, Mr. Speaker, their pay has not been as bad as suggested by some speakers this afternoon.

Certainly the Prime Minister is wrong in suggesting this settlement will not set a precedent. It certainly will. The

government knows it will set a precedent. Grain inspectors at Vancouver who work for the same elevator companies the grain handlers work for, and who do much the same work as the grain handlers, will come out on strike next and demand a similar pay increase.

The government has offered them a niggardly 6 per cent. The Minister of Labour and the President of the Treasury Board (Mr. Chrétien) know that 6 per cent more will not satisfy the grain inspectors. The Minister of Labour already knows, after the settlement affecting terminal workers at Thunder Bay and personnel working on ships in the St. Lawrence, that the 61 per cent figure has already become a guideline in Canadian wage settlements. He agreed to the settlement of those two disputes at 65 per cent and 69 per cent.

This evening we heard that the grain handlers will get only 15 per cent extra, not 65 per cent, as happened at the Lakehead. Of course the figure will vary, depending on whether it is applied to the top, bottom or middle of the wage scale. The grain companies have taken the average. Without doubt the reference of this matter to parliament has set a precedent for future parliaments. It is all very well to intervene and say there shall be no strike or walk out, but the point is this: meaningful negotiations cannot go on. There should be no intervention which prevents meaningful negotiation.

But the government intervened, and its intervention will cost the Canadian economy vast sums because the proposed settlement is inflationary. Further, this wage settlement will inspire similar wage settlements in future. They, too, will be inflationary. Frankly, I regret that parliament has been made the final arbitrator in this dispute. I think Dr. Perry should come before the committee and say how he interprets the COLA clause in the contract, or how he arrived at the COLA clause which will affect the grain handlers.

Years ago the grain handlers decided to do away with their own pension plan. They voluntarily did away with it in wage negotiations because the Canada Pension Plan had been introduced. Now they want their pension plan reinstated, with the companies to pay all the costs and the workers to pay none. Surely Dr. Perry could come before the committee so that it can determine how large is the increase that is being granted. Is the Toronto *Star* correct in alleging that in Ottawa there is inflation by the bushel, and that this is an increase of better than 60 per cent?

Like it or not, what the government does will set a precedent in wage settlements. It will affect inflationary pressures in this country. If the increase is to be only 15 per cent, it behooves members of the House to seek the proof of that; otherwise we shall merely be encouraging inflation. I shall be interested in hearing government supporters on this point. Are they prepared to have the matter clarified before the committee? We, as legislators, should know whether the increase is to be 61 per cent or 15 per cent. The matter should be cleared up. I hope this bill is sent to committee so that witnesses may be called to answer these questions fully.

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, I intervene in this debate to say that I support this bill and support my colleagues in this matter which is of great importance to grain handling in the port of Vancouver, part of which I represent in this House, and important also to the prairie and national economy.

I was disappointed with the position taken by spokesmen for Her Majesty's Loyal Opposition. As spokesmen for all other parties said this afternoon, we regret the necessity for parliamentary intervention in this labour-management dispute. We regret that parliament must be the final arbitrator. Obviously if this work stoppage had been settled by the free collective bargaining process, if the settlement had been freely arrived at, in an atmosphere of healthy labour-management relations, all parties in this House would be happier than they are this evening.

Obviously at some point in any dispute involving the public interest, the rights of the public outweigh the private rights of the parties involved. That point has been reached in this work stoppage involving grain handlers in the port of Vancouver.

● (2040)

This afternoon we listened to a full and lucid explanation of the circumstances giving rise to this legislation by my colleague, the Minister of Labour (Mr. Munro). We also listened to the official spokesman of the Conservative party, the hon. member for Hamilton West (Mr. Alexander), who made a great speech. It was generous, genteel, witty and cleverly put together. It was one of his better speeches in the House of Commons. I compliment him on his official statement this afternoon on behalf of his party.

Mr. Alexander: You can stop there.

Mr. Basford: In the course of his speech the hon. member roundly attacked the bill. He attacked the formula used in the bill. He attacked the Perry report, the Minister of Labour, and the minister responsible for the wheat board.

An hon. Member: And the government.

Mr. Basford: Yes. He attacked everyone it was possible to attack. However, nowhere in the course of his remarks on behalf of the official opposition did he propose what parliament should do to get wheat moving to and out of the port of Vancouver.

Nowhere did the hon. member suggest how we as a parliament, the highest court in the land, which today and tomorrow will be attempting to get the companies and the men moving wheat through Vancouver this week, should approach this problem. Instead, to my very considerable dismay he, and the hon. member for Crowfoot (Mr. Horner) engaged in narrow partisanship.

Some hon. Members: Oh, oh!

Mr. Basford: The hon. member for Hamilton West told us how he had gone to Vancouver and Calgary and saw what was happening. I would have thought that on this occasion the hon. member and his party would have risen above partisanship and, on the floor of this House, sought a solution to the problem that now exists in Vancouver. However, I do not think members opposite are really interested in a solution.

Grain Handlers' Strike

I wish to quote from an article that appeared in the August 27 edition of the Vancouver *Sun*. British Columbia members of parliament were interviewed about whether parliament should be summoned to deal with this situation. I quote:

And Tory Ron Huntington—

He is the new Conservative member for Capilano.

—said Parliament should be called, but only to embarrass the Liberal government and not to resolve the grain strike situation—

"What's the point of having Parliament get involved now that the bargaining system has already been destroyed? But it would be tremendously embarrassing to the present government to have to call Parliament.

"On that basis, I would say, 'yes, call Parliament.' But I wouldn't want to see the government or the minister taking any discretionary action."

Asked if he was recommending that the government go to the effort of expense of calling the House in order to do nothing, Huntington said: "Yes, it would be very embarrassing to them. That's the only point of it all."

It is tragic that the hon. member for Hamilton West and his party should regard this situation not as one to seek a solution to a very serious work stoppage in Vancouver but to seek a partisan advantage. They seek to embarrass the government rather than to relieve the situation affecting the prairie wheat farmer and the Vancouver cargo handling facilities. I would have thought that in this new parliament we could have looked to Her Majesty's official opposition for a somewhat higher contribution to the debate and the resolution of these issues.

What the official spokesman of the Conservative party and the hon. member for Crowfoot have proposed today will not move one grain of wheat. It will not get one ship weighing anchor from English Bay. It is unfortunate that we have such a lack of leadership from the official opposition. This evening I appeal to them to forget that position, to be statesmanlike, to support this legislation, to get it to committee as quickly as possible, to get the work stoppage in the port of Vancouver over, and get the grain and ships moving again.

Here is a group that for a month has been saying "call parliament". They have been blaming the Prime Minister (Mr. Trudeau) for not calling parliament. We have now convened. We now have legislation. But they have adopted a policy which would make parliament impotent to deal with this particular situation. It is a truly deplorable situation and I hope the hon. member for Hamilton West will mend his ways during the course of the debate.

The bill before us is the usual type of bill for these unfortunate circumstances. My colleague explained it this afternoon. The bill contains five provisions, namely, that grain handling will be resumed, the collective agreement will be extended, the term of conciliation commissioner will be incorporated into the collective agreement, all strikes and walkouts are prohibited, and negotiations will resume on how the terms of the conciliation commissioner will be incorporated. Failing agreement on that, a referee will deal with the question. What the bill does can be examined in detail in committee, I hope tomorrow or the next day, when my colleague will appear before the committee.

One other point the hon. member for Hamilton West raised is that the bill did not set out that there would be

an industrial inquiry. He criticized the Minister of Labour for making that announcement today. The establishment of an industrial inquiry is set out in Sections 196 and 197 of the Canada Labour Code and need not be incorporated into this special legislation, Bill C-12. Therefore, in making his announcement this afternoon the Minister of Labour was acting in accordance with legislation already passed by parliament and which is already the law of the land. It was put forward by my colleague, the present Postmaster General (Mr. Mackasey).

There is a need for this industrial inquiry into the whole history of labour management and grain handlers in Vancouver. The need is great. As the hon. member for Regina-Lake Centre (Mr. Benjamin) said this afternoon, we do not want to come back next year, or the year after, and again have to pass legislation. As the minister said, we have seen a long and tedious history of labour management difficulties in the grain handler's situation at Vancouver.

We must seek a means of permanently establishing labour management stability in grain handling and cargo movement to and through the port of Vancouver. My colleague mentioned returning to the days of the dispute at the time of the St. Laurent government. For 21 years we have seen a history of mediators, conciliators, inquiry commissions of one sort or another, strikes, walkouts and labour management disturbances. In the interests of both parties and, more important, the interest of the national economy, the cause of the difficulty must be removed. We must resolve the underlying labour management difficulties.

● (2050)

It seems to me that an industrial inquiry as proposed by my colleague is a suitable instrument for initiating that kind of process. It would hear from all the parties concerned and, undoubtedly, it would take into account some of the constructive comments made by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) this afternoon. It is essential that the underlying causes of unrest be removed.

The Port of Vancouver is the nation's busiest port. It is the second busiest in North America and the twelfth busiest in the world. Over the next five years we shall have to spend, depending upon what analysis one reads, anywhere between $500 million and $1 billion on upgrading marine facilities and access to the port. We cannot legitimately expect the public and the private sector to invest capital of this magnitude without taking steps to improve the labour-management climate in the port. It seems to me this is the whole purpose of the two-pronged approach proposed by the government through the Minister of Labour.

First, the bill before us ought to be passed as quickly as possible so that operations in the port can be resumed. Secondly, from a longer term point of view, there should be an inquiry into the whole history of labour-management in the hope of producing permanent solutions and creating healthy industrial relations. I hope the commissioner will be imaginative in the way he looks at his terms of reference, and that he will suggest to all the parties involved long term solutions to the problems which have

vexed wheat shippers and all others engaged in port operations. I hope the official opposition and its spokesmen will recognize that it is essential to pass this legislation quickly and that they will forego what is an obvious delight to them, that is, an attempt to derive some partisan advantage at the expense of the Minister of Labour, or of the Wheat Board, or of the government.

Mr. Stanfield: Humbug!

Mr. Basford: Again, I appeal to the statesmanship of hon. members opposite. Let them show the country that parliament, when it is called upon to be the final arbiter, can act decisively in the national interest.

Some hon. Members: Hear, hear!

Mr. Elmer M. MacKay (Central Nova): Listening to the unctuous tones of the Minister of National Revenue (Mr. Basford) I looked across the aisle expecting to see a halo above his shiny visage. I heard him attack Her Majesty's loyal opposition for showing partisanship, and call upon us for statesmanship, in fact demand from us all the things which he and his colleagues have failed to produce. It seems to me he wants us to endorse the clumsy solution which is being foisted upon the country by the government and, in the process, somehow, to accept responsibility for it. I say to the minister: This is your baby; don't expect us to look after it.

As one of the members chosen to go to the beautiful city of Vancouver to look into the background of the situation, I did so with a certain advantage. Like the government, I did not know very much about the subject. And as I looked into the various ramifications of the matter, and spoke to the parties involved, I quickly learned that this was an extremely complex human issue. We were able to speak with union members and their negotiating team led by Mr. Henry Kancs who, I may say, personally impressed me a great deal.

We found that, unlike some other less progressive unions, this one was anxious to come to grips with the challenge of moving grain more quickly through the Port of Vancouver. We found that the union was interested in discussing working conditions, new methods of processing grain and cleaning it on the prairies, and the introduction of equipment which will speed the unloading of cars at the terminals. In other words, there was a great willingness to participate in a team approach, using what one could call, I suppose, an approach by way of industrial democracy, leading to all kinds of long term solutions, adopted in a constructive way in co-ordination with the management of the companies and prairie agricultural interests.

Also, we found that management were most concerned about certain questions which were fundamental in their eyes, which meant they had to take account of past history, and of what had happened to the farmers on the prairies in the bad years when some of those who grew the grain received less by way of remuneration than those who handled it at the elevators and expedited its passage to world markets.

It is said there is nothing altogether new and that if one examines the background of any situation one will find in the past a parallel to what is occurring in the present. So I took the opportunity to do some research. I go back to the Liberal administration led by Alexander Mackenzie in 1877. The Governor-General, Lord Dufferin, said at that time in a speech at the City Hall in Winnipeg, on September 29:

> You have been blessed with an abundant harvest, and soon I trust will a railway come to carry to those who need it the surplus of your produce, now—as my own eyes have witnesses—imprisoned in your storehouses for want of the means of transport.

Well, today we find that a vast amount of Canada's grain reserves are still imprisoned in a storehouse, or, more precisely, in the great grain terminals on the west coast and there is no way because of a strike or lock-out, in which we can transport them to our customers and to the hungry people of the world. This is a deplorable situation and it seems to me that implicit in this situation is the government's failure to demonstrate any degree of statesmanship. For if statesmanship had been shown, the present situation would never have developed.

I suggest there is a natural alliance between the prairie farmers, who do such a fine job of growing our wheat, and the people on the west coast, who do such a fine job handling it, and that there is a great deal of room for the benefits of productivity to be brought into effect as was stated by my hon. friend, the Member for Qu'Appelle-Moose Mountain (Mr. Hamilton), the minister of agriculture in the regime of my right hon. friend from Prince Albert (Mr. Diefenbaker), in his excellent speech this afternoon. It is unfortunate that in recent years no one on the government side has made any attempt to bring these two groups of people together for the benefit of themselves and of the nation.

The transportation system necessary to the movement of these vast quantities of wheat has become obsolescent; the collection system on the prairies has become obsolescent. Now we see that labour-management relations between the two groups have also become absolescent. It is clear that in this country, one of the greatest wheat and grain producers in the world, we can no longer deliver our harvest to customers abroad because the government cannot give leadership or devise a formula for setting up a proper climate for industrial relations.

● (2100)

That sincere people like the grain handlers in Vancouver, management and the owners—presidents, if you will—of the terminals, who reside on the prairies, cannot come together for the common good of all is one of the biggest tragedies of the whole affair, at least to me as a member who has not been too close to the situation but who has the benefit of looking at the situation without any preconceived ideas.

I should like to say something about the transportation aspects of the matter. Only a few months ago eastern Canadian agriculture was jeopardized by the lack of transportation facilities to move feed grains to this particular part of the country. The mismanagement of the transportation system of the country has had the end result of placing an increased burden on consumers in the form of higher prices. For example, let me look at the feed grain supplies in eastern Canada.

We forget, perhaps within the confines of this debate, that there was an equally serious labour dispute involving the Great Lakes terminals, which in turn had a direct effect not only in that particular region of the country but in the extreme eastern region of Canada as well. Roger Perrault, chairman of the Canadian Livestock Feed Board, expects difficulties. This is what he said in a recent news release:

> The system will have to operate smoothly from now to the end of the Great Lakes navigation season to get enough domestic feed grain into position for normal movement during the winter months. Otherwise, eastern Canadian farmers may have to pay the extra cost for moving more grain than usual by rail and there could be shortages of some grains in certain areas if there are further delays and interruptions in the movement... Since feed grains are a major component in the production of milk, poultry, eggs and meat, consumers should not expect lower price tags on these food items in the year ahead.

Difficulties in labour-management relations not only had serious repercussions on our international sales—and these difficulties were very adequately dealt with by the members who have spoken here today. Our country not only lost credibility as a reputable supplier of this vitally needed commodity, grain; our internal economy has also been seriously affected. This makes it all the more important that something be done by the government along the lines suggested by the hon. member for Qu'Appelle-Moose Mountain, and hinted at by the Minister of National Revenue. What we need is something constructive, statesmanlike if you will, that finally will allow labour and management to participate jointly in finding what I refer to as some sort of industrial democratic solution.

It is obvious that not all industries offer the same opportunities for productivity that will lower the cost of settlements relative to inflation, as is the case with the present grain handlers' strike. Some industries have a greater labour content and are more marginal. But surely here in grain handling there is the type of situation where there is a real and obvious gain to be made by invoking productivity, perhaps marrying to some extent COLA and productivity, in an attempt to come to some sort of innovative solution. Surely there must be some greater initiative to be shown than is shown by this bill we are discussing tonight.

This bill, while necessary in the present context to break the logjam, or perhaps I should say the wheat jam, and get this commodity flowing again, does nothing else. It illustrates by its content that there is nothing, shall I say, contemplated of an imaginative nature to settle any future difficulties. The provision in clause 7 for appointing a referee is, as far as I am concerned, a sort of built-in admission of the fact that there will undoubtedly be difficulties in interpreting this clause, which as I recall embodies the fringe benefits that are set out in the Perry report, a report that was treated, or mistreated as if he were cast as an arbitrator.

If this bill offered any sort of innovative approach or promised some particular solution to this unfortunate situation, then I would have no trouble supporting it. But all it is in fact is some sort of self-destruct mechanism. What is going to happen is that these kinds of large settlements will inevitably be reflected in the economy.

The Canadian Manufacturers Association, for example, are this evening registering great concern about what is

going to happen to negotiations in the private sector as a result of this legislation. The very magnitude of some of these settlements that parties are driven to, because of the government's failure to bring forward some sort of general inflation policy, will only help increase the inflationary spiral and thus erode the very gains workers have achieved, leaving everyone worse off, particularly those who are not unionized and who have not been able to protect themselves by getting similar types of large settlements. So what we have is nothing more nor less than a vicious circle, and the situation is exacerbated by the difficulties that a country our size is having with its transportation system.

Pretty soon, both on the Great Lakes and on the west coast, longshoremen will be out on strike unless there is some greater ingenuity shown than has been shown in the dealings with the grain handlers. Then it will be the turn of the railway workers. Although I sincerly hope this will not be the case, there could be difficulties with the postal workers. Indeed, there could be difficulties with the whole broad spectrum of the Canadian work force. Yet all we can do tonight in parliament is to bring in a bill which to a certain extent is dictatorial and coercive. It does not even have the virtue of giving the parties at least something of what they wanted leaving the rest to be decided by continuing negotiations.

It has been suggested that if the wage demands were split, and the union given $1.30 or $1.40 increase, which is something in the vicinity of what its members were asking originally, and another arbitrator were appointed to negotiate some of the fringe benefits, then we as parliamentarians at least would not be acting dictatorially and telling these people what is fair. Certainly I do not know what is fair, and I suggest that many of my colleagues in this House do not know what is fair either.

We are sitting here as the highest court in the land purporting to deal with something that is vital to the lives and livelihoods of workers, something that is going to affect the industrial management-labour complex of this country. Yet we do not have the necessary expertise collectively to make this judgment. This is a task for people with greater background experience than many of us in this House have, though perhaps there are some who do have this experience. That is why I object to this particular procedure used by the government, and why I cannot support this particular bill.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, this is the second time during my short experience in this House that parliament has been called upon to legislate men back to work. I find that a disagreeable duty, as do my colleagues in this House. It is also disagreeable to see the kind of political manoeuvring that is taking place here in order to gain points, to gain advantage over the plight of the working people of this country.

When this House legislated workers in our railway system back to work the members of the Conservative party were quite eager, as were the members of the Liberal party, to offer a wage settlement that was far below what a conciliation officer recommended. Today we find a variation on that theme. Today we find a conciliator who has recommended a wage settlement still below what the

workers wanted, but to which the companies have violently objected.

● (2110)

We heard the Conservative member for Hamilton West (Mr. Alexander), the hon. member for Crowfoot (Mr. Horner), and others, come out very strongly on the side of the companies, using the argument that the whole system is inflationary and that the workers were not bargaining in good faith. It is very disturbing to me to see that kind of politicking going on rather than an examination of the issue on its merits.

Let me review for the consideration of this House why we find ourselves in this situation today. This cannot be expressed better than it was by Mr. Perry in his letter to the Minister of Labour (Mr. Munro) on April 22, 1974 as follows:

> As it has now become clear to me that the differences in expectations between the contracting parties—arising from a series of accumulated past issues as well as the special, inflationary circumstances of 1974—remain too wide to be resolved through further conciliatory efforts, I am, therefore, submitting for your consideration some suggestions which, hopefully, might form a basis upon which the two parties could, ultimately, enter into a two-year agreement.

If we stop playing political games and are honest with ourselves in wanting to get the wheat moving again, and to do something just for the workers in the elevators in Vancouver, we should start by asking ourselves why these negotiations broke down. I submit that the blame for the breakdown in these negotiations lies primarily with the companies, and I should like to outline why I say that.

For collective bargaining to work there must be an understanding and a willingness on both sides that there be a settlement at some point in time. Each side is going to argue very vigorously for its cause, but there has to be that fundamental willingness to settle. I do not see that willingness when I look at the history of these negotiations. What I see is the grain handlers' union being frustrated, not only by the circumstances under which the men work but by the attitude of the companies, to the point that they have been forced finally to take strike action.

First of all, what are the components of this frustration? If we examine the working conditions in those elevators in Vancouver we discover low morale among the working men. There is a problem with excessive dust. The companies have installed machinery to extract the dust, but it is not working properly. Much of the dust remains in the elevators, with the result that the men work under very unhealthy conditions.

We also find a shortage of the facilities one would take for granted in any enlightened area of employment, such as a shortage of showers, toilets and lunchroom facilities. The companies are using damping chemicals which have proven to be a hazard to health because of their nature and the lack of exhaust venting facilities. We also find many documented examples of unsafe working conditions in these elevators. In addition, there is evidence of inefficient management and inefficient operation in the companies' attempt to automate the elevators.

We have here a group of workers who are cognizant of the responsibility to move grain, working under conditions which have continuously deteriorated, but which they have brought to the attention of management. They have seen their suggested improvements continuously rejected. When we consider the companies' attitude toward working conditions we see a lack of care and understanding. More important, when we look at the attitude of the companies toward negotiations it becomes evident that they have been using obstructionist tactics.

There have been four occasions during the last 14 years when negotiations between the elevator workers and the companies have gone the route of conciliation. On four occasions the conciliation reports have been accepted by the union but rejected by the companies. This must be borne in mind before we place the blame on one side or the other too quickly.

Let us look at the history of negotiation and decide who have been the obstructionists. I maintain it has been the companies. During the present dispute the companies terminated welfare and other benefits which had already been established and included in past contracts. Obviously there is not just a dispute in respect of wages, because the welfare and fringe benefits that had been established under previous contracts were suspended. That can only be interpreted by the working person to be harassment and obstruction.

There have been constructive attempts by the negotiators for the unions to put their position to the ultimate owners of the co-operatives, namely, the farmers. This includes the suggestion to management that there should be a farmer representative, as an observer only, at the negotiating table. These suggestions have been rejected out of hand by the companies.

The employers on this occasion asked for conciliation when the report was brought in. Once again the companies rejected this. The companies have refused to accept Mr. Perry's report even though they knew full well, as a result of statements by the Minister of Labour (Mr. Munro), that parliament would eventually legislate the report into law. What kind of an attitude is that? I suggest it is an attitude of obstruction and nothing else.

I wonder whether the companies would have been so willing to continue this delay by not accepting the conciliation report if they had been shipping flax and rapeseed through these elevators rather than wheat, particularly in view of the fact that the companies have to pay demurrage charges in respect of flax and rapeseed whereas the Canadian Wheat Board has to pay the demurrage charge on wheat?

When one looks at the attitude of these grain companies it becomes very evident who is responsible for the breakdown in the collective bargaining in this situation. I have on my desk some very glossy publications by the grain companies regarding the cost of this wage settlement. I might say that there has been a great campaign carried on in the newspapers, as well as on television and radio. Let us examine the situation to see whether the cost of this settlement is as inflationary as the companies maintain.

First of all, the companies have claimed that the cost will be $3.03 an hour above the present base rate of $4.96 an hour, inclusive of pensions, cost of living and wage benefits. They have claimed that the increase would be 61

per cent. That was their original claim, and this resulted in headlines to the effect that the settlement would be extraordinarily inflationary. We now know that the same companies, having done some further calculations suggested to them by their officials, have revised this increase from 61 per cent to 48 per cent. The unions have also bandied some figures around. They claimed that the total cost would be $2.20 an hour, or an increase of 44 per cent.

● (2120)

Even if you take the company figure, or the union figure, and work out the actual cost of this wage settlement per bushel of wheat, the range is somewhere between three quarters of one cent and one cent per bushel. Is that supposed to be inflationary?

If we look at the Perry report and the whole problem that was exposed in it of the inefficiency of handling grain in those elevators, it would seem to me that that one cent per bushel could easily be made up by the union and management sitting down together and working out a more efficient way of handling the grain. They have tried some automation but it has worked very badly because of poor installation and management. If the two sides, in the interests of the Canadian public, got together and worked out a more efficient handling of that grain, this increase could be absorbed in increased sales and exports; it would not be inflationary.

If we consider the Perry report, the wage factor alone amounts to a 15 per cent increase a year. What do you expect the working man in Canada in whatever area or whatever union to settle for when the cost of living alone in this past year has risen by 11 per cent? Is a 15 per cent wage increase in those circumstances inflationary? He is running just to stand still.

What is so galling to these men working in the elevators and on the docks is the fact that they are working side by side with longshoremen who, in many cases, are doing similar work and being paid more. If that is not a frustrating experience, I do not know what is. How many of us here in this House would be willing to accept a differential in pay because of our kind of job or the number of hours we are working? It should be similar pay for similar work.

Let us look at the difference between the longshoremen and the grainhandlers. The basic wage rate for the grain workers is now $4.96 an hour. Under the Perry report, in the first year that would rise to $5.83 an hour. What are the longshoremen getting who are working beside these grain handlers? They are getting $6.08 an hour. May I remind this House that at the end of November the longshoremen's contract comes up for renegotiation, and again they will be seeking a higher settlement. So here you have grain workers today getting paid $4.96 an hour while longshoremen working beside them receive $6.08 an hour. That is obviously unjust and discriminatory.

The pension plan is also, for those who care to look at it, very different between the two groups. The recommendation in the Perry report is that the employer contribute 25 cents an hour for the pension of the grain handler. Already the longshoremen receive a contribution from their employer of 53 cents an hour. If you look at the overtime rate between the two groups, again you see vast discrimination and vast differences between double time and time and a half.

What these men are asking seems to me very fair—comparable pay for comparable work. It seems to me then that these men have a just case. Their arguments make sense and it is the duty of the House to pass this legislation quickly, not only so that they can at least get a just settlement but so that the grain can begin to move in this country and the economy get back on the right track. I cannot for the life of me understand the attitude of my colleagues in the Conservative party who will vote against the bill and at the same time want a prolonged debate all night on it. They want the standing committee to call various witnesses before it to prolong the situation, the settlement of which they demanded all summer.

These men are playing politics, and the government is playing politics in delaying the settlement of this issue.

Some hon. Members: Oh, oh!

Mr. Symes: They are not serious about settling the problem and giving justice to the workers of this country. Instead they want to win political points. It is time this bill was sent to committee and passed as soon as possible so that the workers can begin to catch up and get a just settlement, and the grain can start moving.

Mr. Jack Murta (Lisgar): Mr. Speaker, it is with a great deal of regret that I rise to speak in this debate. I think that most members of the House were hoping that the whole situation would have been solved some time ago. Then it was indicated this afternoon, and also this evening, that if it had not been for the government, mainly the Minister of Labour (Mr. Munro) but also the minister responsible for the Wheat Board (Mr. Lang), we would have had a settlement by now and we would not have to spend time dealing with this matter in the House.

We have spoken much this afternoon and this evening about the various aspects of the strike, but as yet we have not really referred to the cost of that strike to the people whom it will affect. The first ones whom it will affect are the western Canadian farmers, although it goes without saying that this strike will have repercussions right across our whole economy.

Mention has been made about the kind of demurrage charge that the Wheat Board will have to pay. Ultimately, if the Canadian Wheat Board has to pay, it comes out of the final payment alloted to farmers. Let me quote from an editorial in the Vancouver *Sun* of August 19 in which it is stated that, according to reliable reports from the Canadian Wheat Board, the cost could range anywhere from $10 million to $15 million, a record demurrage charge this year.

It goes on to say:

> The largest demurrage in the past amounted to $2.4 million for the crop year 1972-73.

The article goes on to say that we have agents for various boat companies that were chartered to haul Canadian grain. One ship is called *Aquafaith*. The article says:

> Agents for the *Aquafaith*, which arrived in port on July 5—and was on demurrage for 36 days before she was fully loaded for China, say

demurrage will come to $240,000. Demurrage on the *Aquaglory*, which arrived July 9, amounts to $200,000, they say.

The *Kinko Maru* waited 24 days and cost the Wheat Board $144,000 before she finally departed on Friday.

This money will come directly out of the farmers' pockets in the end, and anybody who says that this strike will not be costly first and foremost to the Canadian farmers is not telling the whole truth.

A second important consideration is the loss of world reputation which Canada will suffer. This has certainly been noted before by various people. I think there is no doubt that we are talking of a situation in which, at present, there are four countries out of 151 that export grain to the rest of the world. Canada is one of those four countries, the others being Argentina, Australia and the United States. Along with the loss in world reputation we have a moral obligation to move grain to feed the world at a time in which famine and starvation are becoming widespread.

The previous speaker alluded to the fact that the only crop that was moved out of Vancouver on which we certainly lost was wheat. That is not true. We have loss of other sales—not necessarily deferred sales, but actual loss of sales.

● (2130)

I have before me a copy of the "Rapeseed Digest" dated October, 1974 which is published by the Rapeseed Association of Canada every month. In it appears the statement:

Canada's new parliament met on September 30, but even if the labour problems are given a high priority on the calendar of the House of Commons, it appears doubtful that work will be resumed before mid-October. In the meantime, European suppliers of rapeseed have cut deeply into the market in Japan, with sales reported to total 175,000 metric tons, the equivalent of 7.7 million bushels, all for shipment before the end of 1974.

This loss of market will not be recovered by Canada in the 1974-75 crop year.

These are just some of the ramifications of the situation, in addition to what has been said earlier this evening, Mr. Speaker.

Personally I feel that the interference of the Minister of Labour (Mr. Munro) in this situation is unforgiveable. When we were in Vancouver we were told that if the government had not stepped in there might have been a chance to settle the strike if the two parties could have got down to meaningful bargaining.

The minister in charge of the Canadian Wheat Board (Mr. Lang) also has to bear some of the blame. On the one hand he is acting in the interests of the farmers, although on this particular issue I think he sold western Canadian farmers down the drain by condoning what was done by the Minister of Labour. It seems apparent he only works for the farmers when it is politically advantageous to do so. That situation cannot continue, Mr. Speaker.

This strike is unique in that it raises the question of parity with longshoremen. I have here a copy of a telegram sent by the Prime Minister (Mr. Trudeau) to the President of the United Grain Growers on August 14. The telegram says in part:

Without accepting your figures, we would agree that the settlement is costly. However, your representations and those made previously on your behalf by your senior management, fail to take into account the unique aspects of this situation. You must have been informed by your labour relations advisers of the issue of parity with longshoremen performing similar tasks to members of local 333 on the same waterfront. This factor must have been one which influenced the content of the conciliation commissioner's report. Moreover, this factor, which is unique to this particular dispute, means that the settlement proposed by Dr. Perry should not set a precedent for other wage settlements in other sectors of the economy.

In the area of parity a valid question would be why the companies should be forced, by a report which was admitted to be inconclusive, to accept parity for two such separate groups as grain handlers and longshoremen? It is commonly accepted all over the world that they do different work and have different working conditions. Longshoremen really do not have an assurance of steady employment.

It is remarkable that the government only saw fit to offer the Vancouver grain inspectors of the Canadian Grain Commission, who work side by side with grain handlers, a 6 per cent wage increase over 18 months and a 5.5 per cent increase over the following 12 months. No wonder Mr. C. W. Lewis, chairman of the bargaining committee of Local 60, asked Mr. Trudeau on August 22 that the basic wage of grain inspectors be "at least parity with all Vancouver grain workers". This justifies the stand that the Perry report is just a springboard for increased inflation across the country. It certainly shoots down the argument that this is a unique and special kind of settlement. I believe the Minister of Labour has said that publicly before.

The Perry report is being resisted for one real reason. As I understand it, the companies wanted to have the Perry report discussed in parliament because they wanted the government to put its money where its mouth is.

The government admits that inflation is the number one problem, and approves of a settlement which will award an additional $3.03 an hour to 550 grain handlers. You can call it a 61 per cent increase over two years if you are comparing it with the basic wage of $4.96, or you can call it a 52 per cent increase if you are comparing the $3.03 increase in wages, cost of living, pensions and fringe benefits, with the former package.

Regardless of the percentages, a 50 per cent increase, with no increase in productivity in terms of goods and services, if applied to everyone in this country, simply drops our dollar value by one third in two years. I believe this settlement will be an inflationary signal to all labour, organized and unorganized—every one. Any time you discuss an inflationary settlement in a fishbowl as this one has certainly been, it becomes a very real target to everyone else. It is not surprising in view of the publicity that has been given to the settlement because of the intervention by the government, that an emotional impact is felt all across the country when discussing the Perry report and its ramifications. In the long run this may have great impetus and fuel the fires of inflation in the next year, or year and a half.

We have a precedent that has been cited already. Only eight years ago Prime Minister Pearson sanctioned that famous 30 per cent seaway employees' award. At that time it was not considered inflationary but it did serve as a goal for everyone else, and inflation took off.

We have talked a lot tonight about the effects on different people in this country. I think first and foremost it is the farmers who feel the effects. It would be interesting to hear what three or four of them have said about the strike, the grain companies' demands and the government's response to holding the line in the strike. I have a letter here from a farmer in Fincastle, Alberta who says:

> We are inflating our money so rapidly that it is threatening the stability of our money. If we have any part to play in setting a base of inflation of 61 per cent over two years, it will mean we helped to destroy all confidence in our money and we all know what that means to all of our society.

I received other letters over the past few weeks. A farmer from Kelvington-Nut Mountain, Saskatchewan writes:

> If the grain handlers get this increase the farmers will be paying it in the final end. Along with all other labour forces increases. Is Mr. Trudeau then going to give us a 61 per cent subsidy on grain? It is high time that the government faced this inflation issue and did something constructive about it, instead of by fuelling it.

There are many more letters to the same effect and I suppose all members of the House are getting them. These farmers are very very concerned, as are all segments of society, over what is happening to the economy and the way inflation is going.

It may well be asked why grain farmers feel this way when they are earning the highest income in their history. Without being disrespectful to those in other occupations, I think farmers are probably more sensitive than others to inflation, because they have tightened their belts many times during the past 25 or 30 years. Grain farmers are sensitive to the costs of those items they must buy in order to grow a bushel of grain. Land is less of a factor in costs today.

● (2140)

Did you ever think how the farmer is hit by inflation? He has to buy his fertilizer, other chemicals and machinery. When the prices of those go up, his grain becomes more expensive to grow; yet grain prices do not necessarily go up by an amount equal to his increased cost, because he is competing on the world market. Actually there is some indication that grain prices will come down in the next year or 18 months. Costs of production are a most important factor for farmers today, because they face what may be the severest cost-price squeeze in history.

What will happen after the strike is settled at Vancouver? I hope it is settled as quickly as possible. We want to see grain moving from the port again. As I say, what will happen after the strike is settled?

Mr. Benjamin: That shouldn't be too hard to figure out. Look into your crystal ball.

Mr. Murta: My crystal ball tells me that productivity in the port of Vancouver will be low. I say that because labour-management relations, poor as they were previously, had degenerated even more this past summer.

When the Conservative caucus committee went to Vancouver it was impressed with the attitude of the union which talked of modernizing rail traffic to the port and of modernizing port operations. The union wanted to be involved in the work being done. Unless the two sides can come together after the strike is settled and improve relationships, the future looks bleak. If the two sides do not come together, if labour-management strife in Vancouver continues, our exports of wheat which have been steadily dropping during the past few years will decline even more. Our percentage of sales on the world market will be even smaller that it is now. For the good of the entire economy, productivity at Vancouver must be raised. This is a must.

We must also encourage the heads of the grain companies and of the unions to get together and find meaningful ground for discussion of common problems, because there are common problems. Unless we do that, the future looks bleak. If we do that then there will be a future for the continuing movement of grain through the port of Vancouver.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I hoped that we could refer this bill to committee this evening, but it seems that that is not possible. I regret that. The Wheat Board has tried to plan on the basis that parliament will move quickly. It wanted to act, but now it will face some awkwardness in its planning. The board hoped that parliament would be able to deal with the matter today, and calculated accordingly.

Some of my colleagues are puzzled by the opposition of the Conservatives to this bill. They want to know the explanation for their opposition. I have been puzzled by it myself. Then it occurred to me that it is perfectly natural, because in the grain companies which do not like the settlement and which they presumably support, they have found another set of allies who have decided to campaign against inflation on the backs of the workers.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): The minister is really grovelling.

Mr. Lang: I do not begrudge members opposite their last twinge. I just wish that this bill could go to committee and be returned to the House so that grain could move again.

Earlier today I was interested to hear the remarks of the hon. member for Regina-Lake Centre (Mr. Benjamin), who made some nasty comments about me.

An hon. Member: Oh, no!

Mr. Lang: Let me say that I am happy to note that a few members who said nasty things about me in the previous parliament and who came from Saskatchewan are not here to join their colleague. I was interested to listen to the hon. member for Regina-Lake Centre, because he was speaking in his last term as Member of Parliament. We have a short list and he is at the top.

Some hon. Members: Oh, oh!

Mr. Lang: Hon. members have talked about the problem we faced in this country as we watched the process of labour negotiations come down to the wire, so to speak. We took note of the final phases of negotiation and of the conciliation report.

That report was made after the parties had failed to reach agreement. It was issued in a case in which, as even the most unbiased observer would agree, there had been a bad history of labour-management relations. If I may say so, as the Minister of Labour (Mr. Munro) was too diplomatic to say himself, the history of bad labour-management relations has arisen largely because of the way in which the companies had negotiated over many years in the past.

The hon. member for Lisgar (Mr. Murta) said that when he was in Vancouver somebody told him if we had stayed away from the matter a little longer it would soon have been settled. I ask, who told him that? No doubt a representative of a company told him. In view of the bad history of labour-management relations, we saw the possibility of a strike. Of course, the conciliation report, drawn up in those circumstances, is bound to be an important factor in any future settlement.

We took action under the Canada Labour Code, action which was provided for only three or four years ago. This allowed us, because we were in the middle of an election campaign and therefore in no position to deal with the strike, to postpone the period in which a strike or walk out might occur legally until one month after the writs for return were in.

The interesting thing to note is this: although one can go through the process of postponing the legal time in which a walk out or strike can occur, one cannot with that process make workmen work, or make employers maintain them on the job. Even when there was no talk of a walk out or strike, the port of Vancouver, in May, and for three or four months previously, had been working at about half speed. While some may blame the present situation on the dissatisfaction of the men because of their relationship with the companies, or on the attitude of the companies, the fact is that unless you maintain an atmosphere of goodwill you will not keep a business working. You will not keep it going simply by declaring that something is illegal and not to be done.

● (2150)

It is the goodwill of the situation that is important. We saw this situation and we saw that the port would likely be closed even if we had, as we did, exercised the power under the Canada Labour Code to postpone the date for a legal strike or shutdown. We thought it was important to indicate to the men and the companies, whom we believed would be interested in maintaining the port open, that if in the end they did not reach a settlement, which we hoped they would continue to reach for, we saw the inevitability of what Dr. Perry had recommended in his report as the basis for final settlement.

That led us to think we should have the port working all out full time. As the hon. member for Assiniboia (Mr. Goodale) stated, we regret that that did not happen. Even in the period before August 23 the port was partly idle and demurrage charges totalling $3 million piled up during that time.

What amazed me is that in these circumstances the companies refused to sit down and negotiate with the Perry report as the basis. They chose to go about the country, at least the farming community, taking from the Perry report every possible ambiguity, or even less than ambiguity, and twisting it to the extreme possible against their interest in order to come up with this figure of 61 per cent. I repeat they had to twist it against their interest.

I said earlier they seemed to be trying in that way to coast in on some of the talk about inflation that was going on in the country at that time. Everyone recognizes now that that figure is ridiculous in relation to the Perry report. The figure is in fact significantly below that.

We talk about percentages. We, especially those in this place, should appreciate that without examining the base and the circumstances, as Dr. Perry has done, percentages are meaningless. If the farmers have had a rapid increase in percentage terms in the amount they get for wheat or barley, until they get to the point where they are finally getting what they deserve, is there any point in talking about a 100 per cent increase from $1.70 to $3.40? Of course not. You have to look at the realistic situation around you in order to judge. That is where we stand today. We stand here with a good deal of talk about the losses that have been suffered in this strike.

There have been significant losses to the farmer. We have said this from the beginning. I mentioned the $3 million in demurrage charges. This is probably related to the months of slowdown. Let me say at once that relating demurrage to a specific cost is very complicated. Therefore, it will never be satisfactorily or finally settled.

I am simply relying on the best estimates the wheat board can give me. It still concludes today that another $7 million, in addition to that $3 million, may be associated with the actual close-down of the port. That means a total loss to the farmers, mainly through the Canadian Wheat Board but also in connection with the other grains, of $10 million.

There have been some rather broad and sweeping statements about the losses. There have been statements about losses of goodwill. I regret the difficulty we cause our good customers by not being able to deliver when they expect grain from us. However, let me say that this year we happen to be extremely fortunate in that we have such a sellers' market. We may have time to build the goodwill. It may be very difficult to put a specific figure on losses.

We are also told about lost sales. As we sit here at this point in time, I think that can be discounted. We have seen the example of the demand, unfulfilled, from the Soviet Union. We can see the kind of demand there is throughout the world. It will allow us to move as great an amount of grain as we can, notwithstanding the close-down. That was not necessarily foreseen. No one could have predicted that in April or May. However, we can now say that that is how it will be.

The hon. member for Crowfoot (Mr. Horner) put another figure down for this lost sale, although it seems to be for the same grain we did not sell when we had the railway strike, or when we had the snow and ice a few years previously. He keeps managing to recycle that unsold grain. I intend to put a little pile in front of him some day and say, "There is the grain you talk about that we did not sell all this time." It is our good fortune that that is probably not a real cost. But we are left with the

$10 million, still a significant figure any way you look at it.

Once the government had taken the position it did, why did the companies allow this strike to happen? I can understand them waiting before July 8 because they may have hoped something different would happen and they would be faced with a new ballgame. However, in the month following that, they really had no reason at all.

I would like to observe that among the losers in this strike are the men who have lost their time and wages, and the farmers who have lost through the significant demurrage charges. However, the losers do not necessarily include the grain companies. This year they will likely move every bushel they would have moved in terms of throughput with or without this strike. They will likely store more grain because it will be there a little longer than it would have been without the strike. They will not be the losers.

My hope in urging them to settle was based on the fact that the most significant among them are in fact farmer-owned. I thought they should have been sujected to the fact that the losses to the farmers would be significant and should be counted in their calculations. That was not to be. Therefore, we are here this evening with this legislation, legislation in practical terms, inevitable in its terms once the independent conciliator had brought down his report. I therefore say to hon. members at this late hour, one minute before 10 o'clock, let this bill have second reading now, go to committee, and let's get on with the work without further partisanship.

Some hon. Members: Hear, hear!

Mr. Speaker: Is the hon. member for Swift Current-Maple Creek rising to begin to speak?

Mr. Hamilton (Swift Current-Maple Creek): Yes, Mr. Speaker. I wish to call it ten o'clock.

Mr. Sharp: Mr. Speaker, I am sure you understand it is the intention to proceed with this debate tomorrow.

Mr. Speaker: On that same point, I might inform hon. members that with the continuation of this business before the House, the House will meet at two o'clock in the afternoon.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HOUSING—CONSULTATION WITH PROVINCES TO EXPAND PROGRAMS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I hesitate to bring the Minister of State for Urban Affairs (Mr. Danson) back into the House at this late hour.

Mr. Danson: I haven't left yet.

Mr. Marshall: I especially regret it because I know how hard he is working to bring more housing to Newfoundland. On October 1 I asked the minister about the progress being made to implement various programs under the National Housing Act, particularly insofar as they refer to the Neighbourhood Improvement Program, the Residential Rehabilitation Assistance Program and the rural and native housing program. While I appreciate the reply he gave, the urgency of the situation dictates further clarification.

● (2200)

The situation is not only urgent, it is desperate. I requested an adjournment debate, Mr. Speaker, because it is impossible to elaborate on a question in the House in the time allotted to us. Incidentally this should be the subject of consideration when we are talking about reforms in the House of Commons, to which reference was made in the Speech from the Throne.

Since the announcement of the aforementioned programs I have been a strong advocate of them but was naive enough to think they would come into effect within a reasonable period of time. However, all I have experienced is frustration in dealing with the various elements which fall within the minister's responsibility, and I continue to receive answers which do nothing more than emphasize the need for rethinking our priorities.

The RRAP program, for example, provides loans for citizens in the low income brackets. Those whose income is $6,000 or below can qualify for a loan of up to $5,000 with 50 per cent being forgiven. This is fine. It is exemplary, it is wonderful, and I give the government full marks for its introduction. But after 15 months virtually nothing has been produced.

I am sure the minister will tell us once again that the consultative process is going on to speed up its implementation. Nevertheless, here we are, some 15 months after the amendments to the National Housing Act were introduced, and little or nothing has been accomplished. A member who troubles to make inquiries receives only the usual excuses in letters such as the following which I received from the President of the Central Mortgage and Housing Corporation. In a letter dated September 17, 1974, Mr. William Teron stated:

> Thank you for your letter of August 23 concerning Neighbourhood Improvement and Residential Rehabilitation Assistance Programs.
>
> As you are no doubt aware, RRAP is to be delivered in two separate approaches; one in the urban context linked with NIP and the other as an element of Central Mortgage and Housing Corporation's Rural and Native Housing Program. Under the 1974 NIP agreement between the federal government and the Province of Newfoundland, $1.34 million is provided for activity under this program. Of this total, $639,000 was approved last June for Corner Brook and we anticipate the remainder will be allocated very shortly for St. John's. In both instances, the funds will be used to complete projects financed under the old urban renewal provisions of the National Housing Act. In all likelihood, the delays to which you referred were engendered by the necessity of identifying and recasting older proposals so that they could meet NIP and RRAP objectives.

He went on to say that he shared my concern. That is what we hear all the time. They share your concern, but nothing happens. I shall not go into details of further complaints. All I wish to do is help the minister by placing before him a number of suggestions.

Since we are in a period of oil crisis I maintain that a great contribution could be directed toward helping those living on low and fixed incomes in many thousands of homes across Canada by immediately implementing standards across Canada to include, as a priority, the immediate insulation of homes which are substandard in quality, thereby reducing the wastage of home heating fuels.

Similarly, in the Province of Newfoundland it is necessary that the province increase the fuel allowance during the colder months of the year due to the fact that it is impossible for those receiving social assistance to cope with fuel costs. The federal government has to pay 50 per cent of this cost.

Home-owners living on welfare cannot possibly maintain their homes properly at a time when the cost of building materials is so high. I can only say that not only would both levels of government save millions of dollars in housing repairs; they would also save millions of gallons of heating fuel now being wasted.

The answer is not only to treat this RRAP program on a priority basis but to direct meaningful action, initiated by the minister, and demand that the $10 million now allocated be increased to a realistic figure. In addition, the necessary steps must be taken to expand this very worthwhile program as an emergency measure and thereby contribute toward relieving a critical area of shortage in Canada. Lastly, we should specifically provide a stop gap to the need for new housing, a need that is difficult to cope with under present circumstances.

Hon. Barnett J. Danson (Minister of State for Urban Affairs): Mr. Speaker, I listened to the interesting suggestions put forward by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). He suggested there have been undue delays in implementing both NIP and RRAP. We have made tremendous headway in bringing these new programs into operation. First of all, in the case of NIP, the neighbourhood improvement program, we have signed the necessary agreements with nine of the ten provinces so far and expect to sign the tenth agreement very soon. Under these agreements we are allocating more than $40 million to the provinces for this program.

The provinces have since selected the municipalities, and a total of 64 municipalities are proceeding with neighbourhood improvement programs. Altogether these municipalities have now selected 33 neighbourhoods, and the people who reside in these neighbourhoods are actively engaged in determining the needs of the neighbourhoods for assistance under the legislation. I think we can be proud of these achievements, and I am delighted with the support that we have had from the provinces and municipalities. Indeed, the hon. member himself supported my predecessor in many of these programs. As we move into 1975 I am sure this program will begin to show very positive results.

We must not overlook that it was this House that passed the legislation that required municipalities to adopt bylaws of minimum maintenance and occupancy standards. All the municipalities participating in the program have enacted these bylaws and this in itself is a most important achievement. I think the hon. member would agree, since I know he expressed concern about this when the legislation went through the House.

Turning next to implementation, the legislation prescribes that grants and loans for the rehabilitation of substandard property can be made available in NIP areas. Now that we have 33 areas designated under the NIP program it is possible for CMHC to apply the benefits of RRAP—the residential rehabilitation assistance program—and I am very happy to be able to inform the House that rehabilitation loans and grants have been made in 15 municipalities, and that many more municipalities will shortly benefit from this program.

I am the new Minister of Urban Affairs, as all hon. members know, and it would be inappropriate for me to take any credit that more properly belongs to my predecessor, the Minister of National Revenue (Mr. Basford), as well as to the provinces and municipalities which have so wholeheartedly co-operated with us in these programs. It is a co-operative effort right down the line.

It has been suggested that the rural and native housing program announced earlier this year by the federal government has been slow in getting started.

Mr. Speaker: Order. The hon. member for Winnipeg North Centre.

SOCIAL SECURITY—SUGGESTED INCREASES IN FAMILY ALLOWANCES AND OLD AGE PENSIONS—GOVERNMENT POSITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Wednesday, October 2, as recorded in *Hansard* at page 34, I put this question to the Minister of National Health and Welfare (Mr. Lalonde):

In view of the recommendation made to the government a few days ago by the Chairman of the Food Prices Review Board to the effect that because of drastic increases in the cost of food there should be immediate increases in family allowances and in old age security, is the government giving consideration to this recommendation?

The reply of the minister was as follows:

Mr. Speaker, the hon. member is surely aware that old age security pensions will be raised during October and that family allowances will also be increased as of next January 1, so as to compensate for the rise in the cost of living.

● (2210)

I came back with a supplementary question which was in fact an attempt on my part to say to the minister that he should have known better than to try to get away with that answer. What I was drawing to the attention of the government was the need for something more than quarterly escalation so far as old age security is concerned, and the need for something more than annual escalation so far as family allowances are concerned.

Indeed, had I time I could use a number of quotations to cite as my chief witness the Minister of National Health and Welfare himself. I shall limit myself to two or three things he said when he appeared before the Standing Committee on Health, Welfare and Social Affairs on Tuesday, March 13, 1973.

At page 1:12 of the report for that day there is an indication of a discussion about the escalation of old age security. The request was being made by Liberal members that the then annual escalation be put on a quarterly basis, and this was the reply of the Minister of National Health and Welfare:

> Of course it would be possible to have it twice a year. Theoretically it would even be possible to have it every three months. But every time you do that you increase your cost of administration; we have calculated that it would add about $2 million to the cost. And the money that you add to the cost of administration would not go to the senior citizens. So my inclination at the present time is to try to increase more often the total amount of benefits, including escalation, rather than load the system with more frequent escalation—

Over at page 1:22 of the same day's record the minister is reported as having said:

> My point is that one way for Parliament to compensate for this unavoidable lag is to change the basic amount, every once in a while, as has been done at different times, and people catch up then—more than catch up—on what they might have lost in terms of the delays in the escalation. That is what I meant.

That was the point I was trying to make to the Minister of National Health and Welfare the other day. Escalation on the basis of the consumer price index, in which there is always a lag, never enables pensioners or recipients of family allowances to catch up with the cost of living, let alone with any rise in the standard of living.

The minister has enunciated the proposition that every once in a while there has to be an increase in the basic amount. I believe that is what Mrs. Plumptre was calling for, and that is what I am calling for now. I insist that the time has come for the government to quit relying on the quarterly escalation answer every time the plight of pensioners is raised. The time has come for an increase in the basic amount. On this first occasion of a late show in this session I want to establish this point and make it clear that this is a point I shall keep pressing until we win it.

I appreciate the fact that the minister is not able to be here tonight to answer my question, but he is well represented by a new member in the person of the hon. member for South Western Nova (Miss Campbell), who comes into this House as the Parliamentary Secretary to the Minister of National Health and Welfare and will shortly be making her maiden speech. For once that phrase seems to apply, does it not?

I welcome the hon. lady particularly because she comes as the representative of a constituency that includes the area of Barrington Township, into which my ancestors moved over 200 years ago. I still regard that area as my ancestral home. I am very partial to that part of Nova Scotia and I know the kind of people the hon. lady represents.

I hope that in her initial statement tonight she will recognize the point that I am trying to make and that she will speak for her pensioners as others of us are trying to speak for the pensioners across Canada when we say that although we have welcomed quarterly escalation, if that is all we get we might as well not have secured it. What is necessary now is an increase in the basic amount of old age security and an increase in the basic amount of family allowances, and I hope that the hon. lady will be able to tell us tonight that this basic problem is under consideration.

[Mr. Knowles (Winnipeg North Centre).]

Miss Coline Campbell (Parliamentary Secretary to the Minister of National Health and Welfare): May I first congratulate you, Mr. Speaker, on your appointment and wish you success in the future. I must confess that I feel a certain honour that, not only as a new parliamentary secretary but also a new member of parliament, I have the pleasure of replying for the first time to the hon. member for Winnipeg North Centre (Mr. Knowles), a member whose skill as a great parliamentarian is well known.

However, to get down to the specifics of the hon. member's question, since he is referring to the recommendation of the Food Prices Review Board I would draw his attention to the following quotation from page 2 of the report of the board, which reads as follows:

> In the first half of 1974, after tax income in Canada rose rapidly over the corresponding level in 1973. With the exception of farm income, the main components of personal income have displayed more rapid rates of increase this year than in either of the two previous years. Transfer payments from government, reflecting particularly the substantial boost in family allowances, have played an important role in the increases in personal income this year although gains in labour income and in unincorporated business income have been building up as well.

Although I need not remind the hon. member of certain facts, I would point out to other new members like myself that family allowances were increased effective last January 1974 from an average of approximately $7 to an average of $20 per child. This amount will again be increased in January 1975 by an amount proportionate to the change in the consumer price index. I would also point out that the old age pension is being increased every three months to take into account increases in the cost of living. At present, a Canadian citizen of 65 and over is in effect guaranteed an income of not less than $199 a month.

Mr. Knowles (Winnipeg North Centre): And ten cents.

Miss Campbell (South Western Nova): All this talk of personal income and after tax income may lead the hon. member to think that I am too buried in statistics to be aware of the poverty in which many of our families and senior citizens in my own area and elsewhere in Canada find themselves today. Quite the contrary. In my experience as a legal aid lawyer I have seen firsthand many of the problems they face daily. But I disagree with the hon. member when he says that a blanket increase in family allowances and old age pensions is the way to really help them at this time.

This government is presently engaged in a review of the entire social security system. As an interim step in this review the government has committed itself in the Speech from the Throne to providing allowances on an income tested basis to spouses aged 60 to 65 of old age security recipients. The speech also stated that:

> The federal-provincial social security review is continuing on an urgent basis. Studies on alternative approaches to the reform of the income security system are expected to be sufficiently advanced to enable federal and provincial ministers to agree upon a preferred approach at an early date. Similarly, it is anticipated that proposals for the reform of social services will have been agreed upon shortly.

Mr. Speaker: I regret to interrupt the hon. member but her time has expired.

AGRICULTURE—REQUEST FOR PROGRESS REPORT ON RE-ESTABLISHMENT OF SUGAR BEET INDUSTRY

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I asked to take part in the adjournment debate this evening because the matter of the sugar beet industry in western Ontario relates like a fairy tale, with the author being the Minister of Agriculture (Mr. Whelan).

● (2220)

On October 4 I asked the minister first if he would present his long awaited national sugar policy and, second, if he would indicate what progress he has made toward fulfilling his commitment to re-establish the sugar beet industry in southwestern Ontario. The minister's response can be found on page 124 of *Hansard* for that date. Suffice it to say we still await a national sugar policy, and the question of re-establishing the sugar beet industry was evaded.

I believe it is relevant to review the drama of the sugar beet story which has created uncertainty and frustration among a large segment of the farm community. I find it inexcusable that a large number of farmers genuinely concerned in revitalizing the sugar beet industry are but pawns in a game of politics.

Let me briefly review the story. In 1968, after an intensive investigation of the technical, social and economic aspects of the sugar beet industry, the government embarked on a program of lower trade barriers to cane sugar and the maintenance of low sugar beet production in Canada.

Let me remind you that the government of that day was the Liberal party and the policy of that day was supported by the Minister of Agriculture. As a result of that decision the last time beets were grown for the C. & D. sugar refinery in Chatham was in 1968.

The dust had barely settled when the Liberal Party had incorporated, as part of a local agricultural policy, the re-establishment of the sugar beet industry in southwestern Ontario. In the election of 1972 we had the unique situation of a sugar policy in Ottawa calling for a reduction in sugar beet production and a policy in southwestern Ontario calling for an increase in sugar beet production and a refinery.

What has happened since the election of 1972? During the last parliament the minister spoke in Chatham in January, 1973, and again in Tilbury during the month of February. On both occasions he pressed the point about establishing a sugar beet industry. Let me quote here from the London *Free Press* of February 24, 1973, when the minister said:

"I want a solid brief from those farmers to show that there is genuine interest in setting up a sugar beet industry here in Ontario. The next step will be to convince interested companies to set up a plant to handle the crop. If it can be shown farmers are willing to produce a large enough crop to allow for economic operation year in, year out, I think they will put up the refinery."

"That's what I mean when I say that I want a national sugar policy. There's a heck of a lot of work still to do, but I think we can do it, and I think we can get a new industry for our farmers."

Mr. Speaker, let me remind you that during that same period of time, the two policy era, the Minister of Finance (Mr. Turner) had introduced a budget in which he proposed a tariff reduction of 30 cents per 100 pounds of imported raw sugar, clearly supporting the position of 1968.

Again on December 17, 1973, as recorded at page 8795 of *Hansard* the following exchange took place:

MR. JAMES A. MCGRATH (ST. JOHN'S EAST): Mr. Speaker, I ask the Minister of Agriculture, by way of a supplementary question, whether, in view of the very serious situation regarding the sugar market and the effect this will have on the cost of living in Canada, he is now prepared, after two years, to bring in his sugar policy?

HON. E. F. WHELAN (MINISTER OF AGRICULTURE): Mr. Speaker, my sugar policy is not two years delayed; and by the time the two years are up you can be sure we will have a new sugar beet industry and a new sugar refining industry in western Ontario and a policy for all of Canada.

I specifically asked my question last Friday because this matter was shelved during the recent election campaign and frankly, sir, the minister's response has not been reassuring.

I should like to quote from the "Lambton Farmer" of February 14, 1973. There is an article entitled "Can Beets Come Back? Some Say It's Wrong," which reports an interview with Professor Donald Thain of the School of Business, University of Western Ontario. He was a member of the federal task force which produced the book "Canadian Agriculture in the Seventies". The article quotes Professor Thain as follows:

"I'm certain this is happening now because the Liberals are in a vulnerable position," said the western professor. "They need votes. This couldn't have happened two or three years ago because they didn't have to be concerned then about buying votes with sugar beets."

I am not going to accuse the minister of such tactics. I am a reasonable man and I am prepared to accept his promises as genuine and sincere. However, I believe that time is running out. I believe the minister is responsible for presenting a national sugar policy to parliament. Sir, he made a commitment to establish a sugar beet industry in southwestern Ontario, an industry which he said earlier would be in operation by the end of 1974. In conclusion I simply ask the minister either for honesty or for action.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I join my colleagues in congratulating you on the position you have been called to hold.

The hon. member asked two questions: 1—Whether the Minister of Agriculture could advise the House of his national policy on sugar, and 2—What progress has been made with regard to his commitment to restore the beet industry in south western Ontario.

In his reply, the minister mentioned some of the problems that will have to be studied, adding that his department is working on them and that he will submit a report to his colleagues as soon as possible.

Amongst the problems mentioned by the Food Prices Review Board is that of production, total demand and the increase in the cost of production.

Some of these problems are the competition of other crops in sugar beet and sugar cane producing countries, a change in the membership of the European Economic Community, amendments to the international agreement on sugar and the challenge in the United States Congress of the American agreement on sugar.

The government has already made changes to the sugar rate structure, but when considering new changes, we must give our approval to some countries like Australia.

The Minister of Agriculture still believes that sugar beets can be grown in Ontario, and as in other parts of the world there is strong competition, on a cost-benefit basis, from other products such as wheat and soybeans.

All these crops vie for available lands. Even in western Canada, there exists sugar beet refineries.

To conclude, Mr. Speaker, I wish to assure the hon. member that it is an important issue and as the minister said in his answer, he hopes to produce a report once his colleagues have considered his suggestions.

[*English*]

Mr. Speaker: Order, please. The motion to adjourn this House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, October 8, 1974

The House met at 2 p.m.

[*English*]

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF DELEGATION FROM SWEDEN

Mr. Speaker: Before calling motions may I call the attention of the House to the presence in the gallery of the very distinguished delegation which is visiting Canada from Sweden. It consists of the members of the Foreign Relations Committee of that country's parliament and it is headed by its distinguished chairman, Mr. Arne Geijer.

ROUTINE PROCEEDINGS

[*English*]

INDUSTRY

ANACONDA ELECTRONICS PLANT IN BRITISH COLUMBIA—SUGGESTED ACQUISITION OF COMPANY BY GOVERNMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43, order, namely, the imminent closure of the Anaconda Electronics Plant in British Columbia, preceded by the closure of the same corporation's copper mine at Britannia, British Columbia.

I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That this House directs the Minister of Industry, Trade and Commerce to take immediate and substantial steps to save the 470 jobs involved and to promote the Canadian purchase of this company's assets in Canada.

Mr. Speaker: The House has heard the motion. Since it is proposed under Standing Order 43, it cannot be presented without the unanimous consent of the House. Is there unanimous agreement?

Some hon. Members: No.

Some hon. Members: Agreed.

Mr. Speaker: There not being unanimous agreement, the motion cannot be put.

INFORMATION CANADA

PRINTING OF DOCUMENT CONTAINING NAMES OF LIBERAL MEMBERS—UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43. I seek the consent of the House to move a motion. I would move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the House requests the Minister of Labour who is responsible for Information Canada to investigate whether or not there has been any political abuse of the name or facilities of Information Canada as a result of the printing and distribution of a political information document containing names and phone numbers of Liberal members along with certain Liberal party executives and bearing on the bottom right hand corner the words 'Information Canada; telephone number 996-7001.'

Mr. Speaker: The House has heard the motion. Since it is presented pursuant to Standing Order 43, it cannot be put without the unanimous consent of the House. Is there unanimous agreement to proceed with the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

* * *

● (1410)

PUBLISHING

POSSIBLE MEASURES TO AID "SATURDAY NIGHT"—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, pursuant to Standing Order 43, I wish to move a motion of urgent and pressing necessity. In view of the cessation of publication of Canada's oldest magazine, *Saturday Night*, resulting in unemployment and the loss of a genuine and independent Canadian viewpoint, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That this House instruct the Secretary of State to undertake special financial measures to permit the republication of Saturday Night and to end forthwith the special tax advantages to Time and Reader's Digest which have caused such hardship for the Canadian magazine industry.

Mr. Speaker: The House has heard the motion being proposed pursuant to Standing Order 43. It cannot be presented without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be pursued.

* * *

[*Translation*]

STATUTE LAW (STATUS OF WOMEN) AMENDMENT ACT, 1974

MEASURE TO ESTABLISH EQUALITY OF STATUS FOR MALE AND FEMALE PERSONS UNDER CERTAIN STATUTES

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill-16, to amend certain statutes to provide equality of status thereunder for male and female persons.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—EFFECT OF DISC PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. In light of the worsening unemployment situation in Canada, what is the government's current assessment on the effects of the United States DISC program on unemployment in Canada? The minister will recall his government has been conducting a survey on the effect of this program on Canada. What is the current assessment on this? Is this program now hurting employment in Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as the hon. Leader of the Opposition realizes, one of the antidotes was the competitive tax rates for manufacturers and processors and the capital cost allowances. On the basis of information I have received to date, those responses within the Canadian tax system have offset whatever results might have been achieved for United States exporters under that program.

REQUEST FOR REPORT ON EFFECT OF FAST WRITE-OFFS AND TAX CONCESSIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the Minister of Finance promised a further report on the effect of this. Will an up-to-date report on the effects of these fast write-offs and tax concessions be presented in the immediate future or in association with the budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. member will recall that an interim report was presented to the last parliament. I found it inappropriate to send out further questionnaires for the final report during the election period. I waited until that period was over. Further questionnaires have now been sent out to a wide range of companies, both large and small. I hope the results will be in a form I will be able to present to the House in either January or February of the new year.

SUGGESTED SEEKING OF ASSURANCES UNITED STATES WILL NOT EXTEND DISC PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have one final supplementary arising out of the minister stressing the need to avoid a beggar-thy-neighbour policy, particularly between neighbours. Did the minister seek any assurance from Mr. Simon, the Secretary of the Treasury, that the government of the United States would not adopt any new or extended Disc-type program, at least without consultation with Canada?

Hon. John N. Turner (Minister of Finance): The Secretary of the Treasury, Mr. Simon, and I did discuss trade restraints, either by way of hidden export subsidies or otherwise, on a multilateral global basis and it is within this context we shall be interested in hearing the President's speech to Congress at four o'clock this afternoon.

UNEMPLOYMENT—GOVERNMENT FORECAST OF LEVEL—SUGGESTED INCREASE IN FUNDS FOR WINTER PROJECTS

Mr. Edward Broadbent (Oshawa-Whitby): A question for the Prime Minister, Mr. Speaker. Given the fact that unemployment has risen to a level of 563,000 and that experts have forecast a much larger increase for the months ahead, can the Prime Minister tell us whether the government has made its own forecast of unemployment this winter, and, if so, what levels of unemployment are expected?

Right Hon. P. E. Trudeau (Prime Minister): On a quarterly basis, and then publicly at the time of the budget, the government does look at the state of the economy, studies the current situation and considers the factors which might affect the future. No attempt is made to make any precise forecast.

Mr. Broadbent: Recognizing the need to take some kind of specific action in advance of the budget, for which we may have to wait some four weeks by which time it will be too late to do anything effective about winter unemployment, can the Minister of Finance inform the House whether or not the government will consider increasing the capital allotted to the winter projects fund? At present this is fixed at some $350 million. Would the minister consider substantially increasing this sum and making an early announcement to this effect in order that the provinces and the cities can get projects of a serious nature under way, hopefully by the latter part of the winter at least. This could have a beneficial effect on the unemployment situation.

Hon. John N. Turner (Minister of Finance): The government is watching these figures from month to month to determine whether they constitute a trend. The winter employment projects are constantly under review, of course. I hope to address myself to the state of the economy at the earliest opportunity. Hopefully, if the House has

disposed of the measure now before it, we shall return to the Throne Speech debate tomorrow.

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HOUSING

REDUCTION OF MORTGAGE INTEREST RATES TO STIMULATE CONSTRUCTION

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary addressed to the Minister of State for Urban Affairs. Given the fact that there is significant and growing unemployment in the lumber industry in British Columbia, Quebec and New Brunswick, would the minister consider taking immediate steps to lower mortgage rates, even if this involves subsidies, so as to stimulate the housing market and thus provide not only more houses but more jobs?

Hon. Barnett J. Danson (Minister of State for Urban Affairs): We are looking at all possible options in an effort to keep the housing market moving at high levels. The question of subsidies has been considered and we have already taken action by way of AHOP, which has been tremendously successful.

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FINANCE

ANTI-INFLATION PROGRAM OF UNITED STATES—CONSULTATION WITH CANADIAN GOVERNMENT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a supplementary for the Prime Minister related to a question which was asked a few moments ago. In view of the inter-relationship of the North American economies, would the Prime Minister, without revealing anything of a confidential nature, tell us whether his government has been consulted, or at least informed, with respect to the contents of President Ford's anti-inflation program to be announced at 4 p.m.

Right Hon. P. E. Trudeau (Prime Minister): As the Minister of Finance indicated in his reply earlier, a delegation led by Ambassador Eberle is coming to brief Canadians on the contents of that message.

POSSIBLE SETTING OF INTERNATIONAL TARGETS TO RESTRICT INFLATION AND UNEMPLOYMENT

Mr. Sinclair Stevens (York-Simcoe): A supplementary to the Minister of Finance. Can the minister inform the House whether during his discussions with international monetary leaders any targets were set in an effort to restrict national rates of unemployment and inflation in 1975?

● (1420)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it would be difficult to give guidelines that would apply to the various economic factors in all the countries of the world, particularly the third world, the developing nations. However, there were some matters discussed with which I can deal in some detail within the rules at the earliest opportunity in my speech in the throne speech debate.

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INDUSTRY

PROPOSED CLOSING OF ANACONDA ELECTRONICS IN BRITISH COLUMBIA—GOVERNMENT ACTION TO SAVE JOBS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce, but since he is not here I will ask it of the Prime Minister as I am sure he is aware of this problem in British Columbia. In view of the fact that the Anaconda Mining Corporation of New York has closed down its mining operation at Britannia, and in view of the fact that we learned today of the imminent closure of its electronics plant in British Columbia, what action is the Prime Minister's government taking to make sure that this electronics plant stays in British Columbia and saves the jobs of 120 people?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to take notice of this question for the Minister of Industry, Trade and Commerce. Perhaps the hon. member will also tell this to the electorate of British Columbia.

Mr. Reynolds: Mr. Speaker, I have a supplementary question. I should like to ask the Prime Minister whether, due to the urgency of this problem and the fact that there are in the gallery of the House of Commons today people who will be unemployed, if he will assure me that he will answer tomorrow?

Mr. Speaker: Order, please.

An hon. Member: The same old Trudeau.

* * *

[*Translation*]

AGRICULTURE

SHORTAGE OF FEED GRAIN IN QUEBEC—GOVERNMENT ACTION TO CORRECT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in view of the absence of the Minister of Agriculture, I should like to direct my question to the Prime Minister.

In view of the fact that the grain elevators in Eastern Quebec are now practically empty, which bodes ill for the farmers in that area as concerns feed supplies for the winter of 1974-75, can he tell the House what action his government intends to take to correct the situation and reassure the farmers?

Right Hon. P. E. Trudeau (Prime Minister): I shall be pleased, Mr. Speaker, to take up the matter with the Minister of Agriculture upon his return.

Oral Questions

PUBLISHING

REQUEST FOR REMOVAL OF TAX EXEMPTIONS FROM "TIME" AND "READERS' DIGEST"

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I wish to direct my question to the Secretary of State. In view of the financial difficulties of *Saturday Night* and several other Canadian publications, when does the government intend to keep its promises and remove tax exemptions from *Time* and *Reader's Digest*?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, as the hon. member knows, there has been no commitment of that kind. The government is, in fact, now reviewing the exemptions, and I would be interested in knowing what is the position of the official opposition on this.

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BROADCASTING

ADVERTISING OVER STATIONS OUTSIDE CANADA—SUGGESTED REMOVAL OF EXPENSE AS ALLOWANCE UNDER INCOME TAX ACT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question for the Minister of Communications following the question to the Secretary of State about exemptions given *Reader's Digest* and *Time* and the Income Tax Act provisions. As the minister responsible for the CRTC and broadcasting policy, and to be consistent with the Income Tax Act as it applies to publishing, is the minister considering extending section 19 of the Income Tax Act to broadcasting, so that advertising over broadcasting stations in other jurisdictions cannot be computed as an expense?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): The matter is under consideration, Mr. Speaker.

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HARBOURS

MARINA ON SAANICHTON BAY—REASON FOR SUSPENSION OF DEVELOPMENT

Mr. Donald W. Munro (Esquimalt-Saanich): I should like to put a question to the Minister of State for Piscatorial Affairs. I do not know how to call him. Last Friday, Mr. Speaker, I asked him a question about the development of a marina on Saanichton Bay in my constituency. I should like to know whether the minister had the opportunity to look into my question and is now ready to inform me more specifically about the postponement of the marina development and the reasons for this delay.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I cannot match the polished language of my honourable friend. I should like to tell him, however, that the marina project has actually been suspended for a six-month period at the request of the Indians in the area or to answer their objections. Apparently, the Indians are afraid that the proposed dredging would affect the flow of the water. That is why we are now looking into this problem.

* * *

[*English*]

MANPOWER

DEVELOPMENT OF NEW COMMUNITY EMPLOYMENT STRATEGY—INQUIRY AS TO GOVERNMENT POLICY

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I should like to address my question to the Prime Minister. I understand that yesterday the Minister of Manpower and Immigration announced a new round of talks with the provinces leading to the development of new community employment strategy three years from now. May I ask what is to be done in the meantime by the 31,000 persons unemployed in Newfoundland, the 22,000 unemployed in Nova Scotia, the 23,000 unemployed in New Brunswick or the 563,000 unemployed across the country?

Some hon. Members: Order, order.

Right Hon. P. E. Trudeau (Prime Minister): I am not aware of that now, Mr. Speaker, but I will look into the matter.

Mr. Hogan: Mr. Speaker, to date we have spent over $2 billion on manpower training programs only to find ourselves in the situation where—

Some hon. Members: Question, question.

Mr. Speaker: Order, please.

Mr. Hogan: May I rephrase the question, Mr. Speaker.

Mr. Speaker: Order, please. I tried to allow the hon. member a little bit of leeway on his first question, but perhaps it would be better if he stayed on the path for his second one.

Mr. Hogan: What measures if any does the Minister of Manpower and Immigration intend to adopt concerning a workable manpower policy in this country, or does he plan to allow the Minister of Finance to continue fighting inflation on the backs of the working people of this country?

Some hon. Members: Hear, hear!

* * *

TRANSPORT

REPORT ON PLANE CRASH NEAR FROBISHER BAY—REASON FOR DELAY

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to direct a question to the Minister of Transport relating to questions asked last Friday by the Leader of the Opposition regarding the coroner's inquest into an accident at Frobisher Bay. At that time the minis-

ter indicated to the Leader of the Opposition that he would take a very close look at the reasons for the delay in publishing the accident investigation report. Can he now tell the House whether he has done that and, if so, what are the technical matters which still have to be included in the report before it is released?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, it is true that last week the report had not been completed. Like any accident report, whether a plane or a railway accident, it must be submitted to a general review committee in the department before it is published. This report should now be before the committee. As be soon as I get it, I shall be pleased to make it available to my honourable friends.

[*English*]

Mr. Forrestall: Mr. Speaker, since there is a tremendous amount of confusion surrounding this matter, and I welcome the minister's enlargement on his previous answer, would the minister indicate whether the report is completed from a technical standpoint or being held up simply for the purpose of translation?

Mr. Marchand (Langelier): Mr. Speaker, I think the hon. member is referring to a statement I made in the House last week in response to a question by the Leader of the Opposition. At that time I said the report was not completed. What I am saying now is that even when it is completed it has to be referred to a general review board of the department concerned with accidents, and it is only after that that it can be released.

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ENERGY

FUNDY TIDAL PROJECT—REPORT OF REVIEW BOARD—SUBMISSION TO PROVINCIAL PREMIERS

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, would the Minister of Energy, Mines and Resources indicate to the House whether the re-examination of the programming board report on the Fundy Bay tidal project is available and at the same time indicate if he has as yet received any reply from the governments of Nova Scotia and New Brunswick regarding a third report which I understand is one of the recommendations in this pre-examination report?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the review board report has now been received and copies have been transmitted to the two premiers involved. It would be my intention to table the report in the House as soon as the agreement of each premier to that is obtained. We have had preliminary discussions with one at least and I hope to be able to canvas the situation fully as to the next step we would take after we have had an opportunity to review it fully.

● (1430)

PROVINCIAL AFFAIRS

NEWFOUNDLAND—DISCUSSIONS CONCERNING OFF-SHORE RESOURCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct my question to the Prime Minister. In light of recent discoveries of natural gas off Labrador, has the Prime Minister initiated meetings with the Newfoundland Minister of Intergovernmental Affairs with a view to discussing off-shore resources?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is no recent precise development on that. Some months ago I indicated to Premier Moores that since this would not be a negotiated settlement perhaps he would agree to have the matter referred jointly to the Supreme Court. I do not know whether he has answered positively. My memory is not too clear on that. Perhaps I should repeat the background which is that we have been negotiating with the five eastern provinces for five years now, and it is latterly that the Newfoundland government decided to go it alone, which means at a different speed with reference to the settlement of that particular problem.

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ENERGY

NATURAL GAS—PLANS FOR DEVELOPMENT OF DISCOVERY NEAR NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would direct my supplementary question to the Minister of Energy, Mines and Resources. Is there any arrangement to exploit these resources in the absence of agreement between the province and the federal government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No. Mr. Speaker, not at the present time. The Eastcan discovery off Labrador was covered by a federal permit, and it is anticipated it would be some years before the discovery could be proved up and before there would be any exploitation of it.

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STATUS OF WOMEN

ANNUAL REPORT OF ADVISORY COUNCIL AS EXAMPLE OF FISCAL RESPONSIBILITY—POSSIBLE APPOINTMENT OF WOMEN TO ECONOMICS PORTFOLIOS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is addressed to the Prime Minister. It relates to the financial statement in the recently issued annual report of the Advisory Council on the Status of Women. In view of the fact revenues were $300,000 and expenditures were $244,398, leaving an operational surplus of $55,602, would the Prime Minister take this example of fiscal responsibility as an inducement to appoint more women to the economics portfolios, particularly the Ministry of Finance.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take that as notice.

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EXTERNAL AFFAIRS

PROPOSED ADVANCE TO SAIGON BY INTERNATIONAL DEVELOPMENT AGENCY—CANADIAN POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. Is Canada participating in a meeting of the World Bank and other associated organizations including the International Development Agency in Paris on October 17 at which an advance of $50 million to the Saigon regime will be proposed and what is Canada's attitude to the proposed advance?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have no information at all on that subject. I shall take the question as notice and answer the question tomorrow hopefully.

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[*Translation*]

HOUSING

REQUEST FOR MORE FUNDS TO BE ALLOCATED TO CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs.

In view of the fact that, for the past month or so, the Central Mortgage and Housing Corporation has refused to grant mortgage loans to new housing contractors, thereby causing severe problems to the labour force, could the hon. minister advise us whether he will introduce new legislation shortly in this area, or whether he will allocate new credits to the Central Mortgage and Housing Corporation?

[*English*]

Hon. Barnett J. Danson (Minister of State for Urban Affairs): Mr. Speaker, I should like to know the specific area where operations are closed down. The AHOP program has been so successful that in some areas the funds which have been allocated have been used up. These are special situations. I am watching all areas of the country to make certain that we maintain the very high standards which are producing a lot of housing for Canadians.

[*Translation*]

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

Is the hon. minister aware that, in the Sherbrooke area, the Central Mortgage and Housing Corporation no longer grants mortgage loans to new housing contractors? Will he change the policy shortly, in order that contractors may continue building new houses?

[*English*]

Mr. Danson: Yes, Mr. Speaker. I am aware that the program has been particularly successful in the Sherbrooke area. I am looking at new options there so that we can keep on with the program at a very high rate.

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INFORMATION CANADA

PRINTING OF DOCUMENT LISTING LIBERAL MEMBERS AND PARTY EXECUTIVES

Mr. Tom Cossitt (Leeds): Mr. Speaker, my question is for the minister responsible for Information Canada and concerns the information document being circulated by the Liberal Party of Canada listing names of Liberal members, certain Liberal Party executives and fund raisers. Did information Canada print, circulate, design or have knowledge of the document and specifically why does the name of Information Canada and its telephone number appear on the bottom right-hand corner of the document?

Mr. Speaker: The hon. member for Humber-St. George's-St. Barbe.

Mr. Cossitt: Mr. Speaker—

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

Mr. Cossitt: Mr. Speaker, I rise on the point of order. I asked a question of the Minister of Labour who apparently was talking to his colleague and did not hear it. I feel I should have the privilege of repeating the question.

Mr. Speaker: I think the hon. member should know that I am in no position to grant a supplementary to a question which has not been answered.

Mr. Cossitt: Mr. Speaker, I think when the question of a member has not been answered he should have every right to ask the question again. I know they are arrogant, but they should answer the question.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I have a general idea of what the hon. member's question was, but frankly I am not aware of this particular situation. I will look into it and endeavour to reply to the hon. member shortly.

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VETERANS AFFAIRS

EXPIRATION OF VETERANS LAND ACT—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Veterans Affairs. It arises out of a statement he made in Halifax on September 1 or thereabouts that the Veterans Land Act would not continue and would be phased out. Would the minister indicate if he was stating government policy particularly in view of the fact that there was agreement in this House that the act would be reviewed six months prior to phasing out?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I was not stating government policy. I told the people in Halifax part of what had happened in this House.

Mr. Marshall: In view of the fact that the minister was not stating government policy, would he indicate to the House if he has considered taking action to extend the Veterans Land Act beyond March, 1975.

Mr. MacDonald (Cardigan): Mr. Speaker, this is a matter of government policy and when the information is available it will be conveyed to the House.

* * *

IMMIGRATION

NUMBER OF ILLEGAL IMMIGRANTS—POSSIBLE INVESTIGATION

Mr. Jake Epp (Provencher): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I should like to direct my question to the Prime Minister. Can the Prime Minister give any information concerning whether the government is presently conducting an inquiry or investigation into the number of illegal immigrants coming to Canada in view of the fact that last year the program "Make our country your country" was at that time supposed to clear up this problem once and for all.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I imagine the Department of Manpower and Immigration has this matter under constant review.

* * *

FINANCE

ALLEGED DENIAL OF LOANS BY CHARTERED BANKS UNDER SMALL BUSINESS AND FARM IMPROVEMENT LOANS ACTS

Mr. John Wise (Elgin): Mr. Speaker, I want to direct my question to the Minister of Finance. Is he aware of the fact that certain chartered banks are still denying loans to clients under the Small Businesses Loans Act and the Farm Improvement Loans Act.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if the hon. member would give me some specific instances I would deal with them.

* * *

● (1440)

EXTERNAL AFFAIRS

REPRESENTATION OF PALESTINE LIBERATION ORGANIZATION AT GENEVA CONFERENCE—CANADIAN POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to my hon. and learned highland friend the Secretary of State for External Affairs. Considering that Canada, as a member of the peacekeeping force and seeker of world peace has a major interest in the Middle East situation, can the minister advise if it is the view of the Canadian government that representatives of the Palestine Liberation Organization should be supported at the Geneva Middle East conference? Has this view been indicated to other interested governments and with what response?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I thank my hon. friend for his comments which I appreciate as coming from a separate but very distinguished clan. With respect to the question, it has been stated by my predecessor that the view of the Canadian government is that the Palestinian people should be represented at negotiations affecting a settlement in the Middle East. The Canadian government, however, has not prejudged the form of the representation by advocating the attendance of the PLO itself.

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TRANSPORT

RAILWAY ACCIDENT AT MONTREAL—REQUEST FOR ESTIMATE OF COST OF DAMAGE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is related to that asked by the hon. member for Dartmouth-Halifax East of the Minister of Transport. Apart altogether from the tragic loss of life and the unsatisfactory accident investigation procedures involved in recent happenings in his ministry, can the minister tell the House whether he has any estimate of the cost involved in the loss of equipment and damage to property resulting from the recent train collision at Montreal?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as soon as I get the result of the inquiry I will be in a position to answer.

* * *

NATIONAL ANTHEM

REQUEST FOR MULTICULTURAL VERSION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, a question for the Secretary of State which concerns Bill C-11 on the new official national anthem. Would the minister agree to produce the multicultural versions of the national anthem?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, that is a fascinating suggestion upon which I will reflect.

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[*Translation*]

AGRICULTURE

REQUEST FOR SUBSIDY TO MEAT PRODUCERS

Mr. Eudore Allard (Rimouski): Mr. Speaker, since the Minister of Agriculture is absent, I wish to direct my question to the right hon. Prime Minister.

In view of the fact that butcher's meat producers threaten to destroy their herds and to quit production, does the government intend to act immediately in order to help those producers?

Right Hon. P. E. Trudeau (Prime Minister): I will be happy to discuss this matter with the Minister of Agriculture when he returns, Mr. Speaker.

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[*English*]

LABOUR CONDITIONS

FINKELMAN REPORT—GOVERNMENT POSITION ON STRIKES IN ESSENTIAL SERVICES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in the absence of the President of the Treasury Board I should like to address my question to the Prime Minister. Can he advise this House whether the government has had an opportunity to study all parts of the Finkelman report, specifically the part dealing with illegal strikes in essential services and if so what definite decisions have been taken by cabinet, if any, to deal with any such future strikes?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be pleased to take note of that question.

* * *

AGRICULTURE

EGGS—SUGGESTED PROHIBITION OF EXPORT TO UNITED STATES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, may I put a question to the Prime Minister in the absence of the Minister of Agriculture. Was the Minister of Agriculture stating government policy when he said that Canadian eggs would be prohibited from export to the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I missed the first part of the question but I will be pleased to refer that to the minister.

Mr. Horner: Mr. Speaker, my question could hardly be referred to the Minister of Agriculture. As leader of the government, can the Prime Minister state whether the Minister of Agriculture was stating a government policy when he said Canadian eggs would be prohibited from export to the United States?

Mr. Trudeau: Mr. Speaker, I was not aware of the statement but I will look into the matter.

[Mr. Allard.]

PUBLIC SERVICE

APPOINTMENT OF MICHAEL PITFIELD—POSSIBLE CHANGE IN CRITERIA FOR MAKING APPOINTMENTS

Mr. Joe Clark (Rocky Mountain): My question is for the Prime Minister, Mr. Speaker. Will the Prime Minister make a statement on motions outlining the principles now to be followed in appointments to the senior public service, and in particular show whether the elevation of Mr. Michael Pitfield indicates a replacement of the merit system by the buddy system?

Some hon. Members: Shame!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think it is quite improper for a member of parliament to cast such aspersions on a member of the public service.

Mr. Clark (Rocky Mountain): Mr. Speaker, a supplementary. Might I ask the Prime Minister to reply to the first portion of my question and indicate whether he will make a statement on motions which will remove the doubt and concern that exists throughout the country, and certainly in the public service, about the principles that are being followed in appointing people to the senior levels of that service?

Mr. Trudeau: Mr. Speaker, the hon. member probably knows that appointments at this level and deputy minister level are made by order in council. They are therefore at the decision of the government. The kind of suspicion that the hon. member says exists probably exists in his own mind more than in anyone else's.

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ENERGY

NATURAL GAS—VIEW OF UNION GAS ON AVAILABILITY OF SUPPLIES FOR ONTARIO USERS

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and refers to the letter circulated by Union Gas Ltd. in which they indicate that they will not be able to meet the demands of gas users in Ontario in the next couple of years. Has the minister seen the letter from Union Gas Ltd., has he checked into the availability of supply and can he assure the gas users of Ontario that there will not be any shortage?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, while I may not have seen the actual letter, I am aware of the viewpoint expressed by Union Gas Ltd. which of course is a matter involving this national debate as to the availability of natural gas supplies. It was because it was concerned not so much about the short run, but the long run availability of natural gas in Canada that the government arranged the hearings now being held by the National Energy Board with regard to natural gas supply.

Mr. Saltsman: A supplementary question, Mr. Speaker. Can the minister assure the House that gas will be avail-

able in Canada for Canadians in the future even if it is necessary to cut off some of our export customers?

Mr. Macdonald (Rosedale): Mr. Speaker, that is one question, but the factual question is the one which is now being canvassed by the board. It seems to me the appropriate course of action is to receive the board's report and in due course make a decision with regard to export contracts, and the development of additional facilities, or otherwise, that may be indicated by it.

HEAVY OIL—EFFECT OF SURTAX ON PRODUCTION BY MURPHY OIL COMPANY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I, too, have a question for the Minister of Energy, Mines and Resources since we are dealing with the subject of energy and the question of supply. In view of the fact that companies are unable to produce heavy crude in the Lloydminster area, particularly the Murphy Oil Company, because of the fixed price set on heavy crude which they blame on the high surtax being collected by the federal government, can the minister tell the House if the government has had discussions along these lines, and if it has any remedies to suggest to ensure the continued production of heavy crude in that oil field?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have sought the judgment of the National Energy Board on this question and am advised that the Murphy Refinery of Superior, Wisconsin, is in a turnaround position at the present time which may explain the shutdown in production. With regard to the question of the future of heavy oil production, the board is seeking further information from the company. I might add that a possible element in this is the forthcoming United States policy with regard to the reallocation of old oil within the United States which, of course, could have an important effect on the Murphy Refinery and others in the northern tier.

Mr. Woolliams: A further supplementary, Mr. Speaker, as the minister, probably unintentionally, left out a part of my question. It was reported in the business sections of several newspapers that the officers and executives of Murphy Oil blame the situation on the high surtax on heavy crude being collected by the federal government. They claim this makes them non-competitive and they have to produce at a loss.

Mr. Macdonald (Rosedale): Mr. Speaker, it remains a matter of judgment to be taken by the National Energy Board with regard to the appropriate tax level. The position of the government is that we should seek the maximum just and reasonable return to Canadians from Canadian products.

Oral Questions

EXTERNAL AFFAIRS

CONFINEMENT OF VALENTYN MOROZ BY SOVIET AUTHORITIES—ACTION BY CANADA TO ASCERTAIN STATE OF HEALTH

Mr. Peter Elzinger (Pembina): Mr. Speaker, my question is for the Secretary of State for External Affairs and is further to one raised by the hon. member for Winnipeg North Centre on October 1. In view of the information regarding the state of health of Valentyn Moroz as revealed by the Soviet foreign minister in talks with our minister, does the Canadian government feel that it has done all it can to ascertain the state of health of Mr. Moroz or to mitigate the circumstances of his confinement?

● (1450)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, with respect to the state of health of Mr. Moroz, I believe the Canadian government did the proper thing in seeking assurances from the Soviet foreign minister. These were provided in these terms: that Mr. Moroz was in normal health, took exercise regularly and was under normal medical observation. There is no way by which the Canadian government can verify independently the assurances which have been given by the Soviet foreign minister.

Mr. Elzinger: A supplementary question, Mr. Speaker. Is the Canadian government committed to using all diplomatic efforts to secure the release of Valentyn Moroz on humanitarian grounds, or does the Canadian government not feel that his release is an important issue, both in our relations with the U.S.S.R. and in Canadian society?

Mr. MacEachen: Mr. Speaker, I think my hon. friend will agree that the person named is a citizen of the Soviet Union. There is a limit to the representations that will be effective, even when made by the government of Canada.

Mr. Paproski: Why don't you visit him in the concentration camp?

* * *

ENERGY

HEAVY OIL—REASON FOR REMISSION OF FIFTY CENTS PER BARREL TO COMPANIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources arising from his answer to the hon. member for Calgary North, to the effect that the Canadian government feels it should get all the money it can from the export tax on oil. May I ask, in light of that statement, why the National Energy Board announced that it will rebate 50 cents per barrel of the export tax to the oil companies for the month of November, at a time when the importing companies are raising the price of oil and the OPEC nations are indicating that they will be increasing their prices?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the price remission procedure applies to heavy oil only and the decision with regard

to the 50 cent remission represents the judgment of the National Energy Board that the price of heavy oil has been set 50 cents per barrel too high, and this would bring it closer to the competitive market level.

* * *

GRAIN

ALLEGED STATEMENT BY MINISTER CONCERNING NATIONALIZATION OF GRAIN HANDLING INDUSTRY

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Labour. It arises from the statement he made concerning the grain handling industry. He implied that the government may be considering the nationalization of the grain handling industry, 80 per cent of which is owned by Canadian farmers. Is the government considering seriously this preposterous proposal?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I did not make any such comment.

* * *

ENERGY

OIL—ALLEGED STATEMENT BY PRESIDENT OF IMPERIAL OIL CONCERNING SHORT-FALL IN PRODUCTION—GOVERNMENT POSITION

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. As the President of Imperial Oil said last week that by 1983 Canadian oil production probably will supply only areas west of the Ottawa valley formerly served by Canadian production which means a short-fall in production, as against consumption, of between 1 million and 1.5 million barrels a day, equal to 30 or 40 per cent of our oil consumption, will the minister say if he accepts those figures. If he does not, what are the government's figures? If he does accept them, will the minister say what the government intends to do about this frightening prospect?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member may not know that the National Energy Board held a full public hearing into the future availability of Canadian oil. The report is now being completed by the board and should be available within one month.

Mr. Bawden: A supplementary question, Mr. Speaker. As it is such a serious question which is of critical interest to all Canadians, can the minister say if he agrees with the figures given by the President of Imperial Oil?

Mr. Macdonald (Rosedale): Mr. Speaker, as this is such a serious question it seems to me that the considered report of the board should be received before there is comment.

[Mr. Macdonald (Rosedale).]

SOCIAL SECURITY

REQUEST FOR REMOVAL OF WORDS "OLD AGE" FROM PENSION CHEQUES

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the cultural pressure to resist aging, could consideration be given to changing the name of the Old Age Pension Act and the removal from old age pension cheques of the words "Old Age", in order to show more respect to our senior citizens?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will give much consideration to the hon. member's suggestion, but I wish to point out that to my knowledge, not a single cheque has been returned to date because of the plan's name.

[*English*]

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

WEST COAST GRAIN HANDLING OPERATIONS ACT, 1974

MEASURE TO SECURE THE RESUMPTION OF OPERATIONS

The House resumed, from Monday, October 7, consideration of the motion of Mr. Munro (Hamilton East) that Bill C-12, to provide for the resumption of grain handling operations on the west coast of Canada, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I rise to take part in this debate because the area of Saskatchewan which I represent sends grain to the Pacific coast for export. We are, therefore, very interested in this matter. The Minister of Labour (Mr. Munro) has said that only two parties are involved in the Vancouver grain situation. I submit that there is a third party, the government of Canada—which has both feet in it. The minister also referred to a letter which the Prime Minister (Mr. Trudeau) sent to the grain companies. That letter said this situation is unique and will not affect other union negotiations.

Mr. Speaker: Order, please. I wonder if hon. members would give the hon. member who is speaking the courtesy of a quiet hearing.

Mr. Hamilton (Swift Current-Maple Creek): Thank you, Mr. Speaker. The Minister of Labour mentioned the Prime Minister's letter to the grain companies, which said that this situation is unique, will not affect other union negotiations and is not inflationary. That is patent nonsense. I read part of a letter addressed to the Prime Minister from the chairman of the bargaining committee of local 60 in Vancouver; it is dated August 22:

You, the Prime Minister of Canada, have ensured that legislative action will be taken to enforce the Dr. Neil Perry report which ensures Vancouver grain workers of a basic rate of pay amounting to $6.44 per hour.

This is $2.11 an hour more than grain inspectors are paid. I continue reading the letter:

Government inspectors who control and supervise all grain received and exported at the port of Vancouver have to receive, at least, parity with all of the Vancouver grain workers.

If we do not receive parity with all these grain workers in Vancouver, our inspectors will take the necessary action to protect our interests.

Signed: C. Lewis, Chairman, Bargaining Committee, Local 60.

It goes without saying that if the grain inspectors do not work, grain will not leave the port. The hon. member for Assiniboia (Mr. Goodale) said yesterday that management and the union had been deadlocked for over half a year and the government was forced to act. Let us examine that contention. The first meeting between management and the union was held on October 19, 1973. The fifth and final meeting was held on December 11, 1973. There were only five direct meetings during a seven-week period. Surely the minister could have exercised the options open to him and ordered that serious negotiations be undertaken. Section 164(1) one of the Canada Labour Code outlines the options available to the minister. He can notify the parties of his intention not to appoint a conciliation officer or conciliation commissioner, or he can establish a conciliation board.

Section 43 of the Canada Grain Act declares elevators to be works for the general advantage of Canada. Our railways fall under that category as well. Surely these are not idle words in the statute. The government is responsible for seeing that such works are used for the advantage of our country. We are dealing with a national problem which has become a national disgrace.

I now wish to refer to a European magazine, *Point International*. The edition of September 21, 1974, says the following about the Vancouver grain pile-up:

Federal politicians are behaving indecisively. Had private companies been involved, parliament would have been recalled and the proposal enforced. But farm co-operatives cannot be handled in this fashion: grain growers have long memories on polling day. Meanwhile the country, which needs massive grain exports to keep its economy healthy, is severely threatened.

● (1500)

In a situation such as the Vancouver grain tie-up, I feel great unease at the government's reliance upon advisers who operate in the theoretical rather than the practical field and whose advice appears to be adding to the mounting mess rather than alleviating it. I hope the Minister of Labour will consider this when he appoints an industrial inquiry commission, because so far in this situation we have suffered from a classic case of legal overkill.

On October 19, 1972, the former agreement was ratified. Its duration was December 1, 1971 to November 30, 1973. The increase granted was approximately 40 cents an hour, or 9 per cent across the board. In the current disagreement, the first meeting was held on October 19, 1973. The fifth and final meeting between management and union was held on December 11. That was the end of our so-called collective bargaining. On February 15, 1974, the Minister of Labour appointed Dr. G. N. Perry as a conciliation commissioner, and I quote—

—to assist the parties to the dispute in revising the collective agreement.

His terms of reference were all wrong. However, the government took his report as a settlement without knowing what it was all about.

Some hon. Members: Hear, hear!

Mr. Hamilton (Swift Current-Maple Creek): I quote as follows from the preamble to Dr. Perry's report:

—the recommendations which follow can hardly be expected to do more than indicate a series of intermediate changes with which both parties may be able to associate themselves as they try to conclude a settlement in a difficult year.

The Perry report does not discuss the basic issues at all. They are productivity, efficiency and incentives. The real issue is not to do something that will add to the inflationary pressure in the country, but to do something that will move more grain through export positions at the lowest possible cost per bushel. With trains and ships operating around the clock, seven days a week, steps must be taken to put grain terminals on the same basis. It is obvious, too, that we must move toward a system whereby clean, ready to export grain is moved to export positions.

I am certain of one thing: we will not get increased productivity by parliament legislating this settlement. On May 23, 1974, the government took action under section 181 to make a strike or lock-out illegal until after the election. There is doubt about the legality of the government's action, and the sloppy staff work showed up when they omitted from the order the terminal owned by James Richardson. The title of Bill C-12 is "An act to provide for the resumption of grain handling operations on the west coast of Canada". I would like the House to understand that two terminals one operated by the Alberta Wheat Pool in Victoria and a terminal in Prince Rupert have operated throughout the Vancouver shut-down.

Ministers of the Crown made it clear that unless the parties in the meantime reached agreement, a settlement would be legislated in accordance with the commissioner's recommendations. Any chance of effective and meaningful bargaining ended absolutely when the Minister of Labour said during the election campaign that the government would, if re-elected, legislate implementation of the report. This promise was reiterated later by the minister in charge of the Canadian Wheat Board. There remained a great-deal of ground for negotiation.

On August 1, 1974, the government of Canada made two rather dramatic moves in the grain business. They granted the companies an unprecedented increase in the tariff for both country elevator operation and for terminal operation. This increase was granted by order in council P.C. 1974-1702, dated July 30, 1974, to be effective August 1, 1974. At the same time, the government reduced the payment for number one bread wheat to the western farmer from $3.75 to $2.25 a bushel, a reduction of some 40 per cent. On August 8, the no strike, no lock-out order expired. On August 23, 1974, strikes plus lock-outs, completely shut down the Vancouver grain terminals. The greatest grain exporting port in a hungry world sat idle. Works for the general advantage indeed!

Instead of reminding the grain companies of their responsibilities, I suggest this government should have looked to their own responsibilities in this matter. It must be obvious even to this government that third party intervention is necessary in labour disputes right from the start, and I do not necessarily mean government intervention. In the case before us, I suggest three or four farmers sitting in as observers would have tended to keep both parties on the track.

History tells us that almost every time the government interferes with agriculture, they spoil the market; and if the marketing is wrong, we might as well plow under all the other effort. The expansion of our grain exports and competitive strength depend more on our own efforts than on our reliance on negotiating with other countries. There are a number of actions and policies we can initiate unilaterally which will contribute to our goals of increased trade.

Our greatest need is to have a consistently dependable supply of major grain items, at competitive world prices, at seaboard. Instead, heavy-handed interference by ministers of the Crown has resulted in the present impasse. If the minister in charge of the Canadian Wheat Board wants to nationalize the grain industry, and this is a first step, he should be honest enough to say so. I quote as follows from the Alberta Wheat Pool publication "Budget" of October 4, 1974:

> G. L. Harrold, president, Alberta Wheat Pool, said in Calgary recently that a statement by labour minister, John Munro threatening nationalization of the grain handling industry is out of order and ill-timed. Public coercion of any industry by a minister of the Crown constitutes bad government. A threat to nationalize the grain handling industry, 80 per cent of which is owned by farmers, is preposterous.

Some hon. Members: Hear, hear!

Mr. Hamilton (Swift Current-Maple Creek): The manner of government support for the inland terminal concept, and the method by which they have supported this concept with taxpayers' money, is another example of the sort of pressure they have been putting on western grain companies. The minister in charge of the Wheat Board is guilty of treating the grain companies like political parties. He made one very bad mistake when he tried publicly to pressure the companies. If he wanted to give them hell, he should have done it in a private office.

It was common knowledge at the meetings of the minister and company presidents that the minister had no idea what was contained in the Perry report. This explains why the government is now backing away from settlement based on that report and why they have to appoint an all-powerful referee under section 7 of the legislation. How can we, in good conscience, support this bill when we do not know what it will mean to either party?

One question that could be asked is, why did the Minister of Labour take the conciliation officer route rather than appoint a board of arbitration? I would also like to know why the Richardson terminal at Vancouver was exempt from the order in council which barred a lock-out or strike. One of the most disgraceful aspects of this whole situation was the effort of the minister in charge of the Wheat Board to try to drive a wedge between members and management of the western grain companies. Fortunately, he failed. He then, obviously, misadvised the Prime Minister by suggesting that grain producers would apply pressure to their companies to settle. This did not happen.

The government has done nothing to create goodwill between the parties—and goodwill is needed desperately. The responsibility for supporting inflationary pressures rests upon the shoulders of the Trudeau government. They created the mess in the grain industry at Vancouver and they should pick up the tab for demurrage, now at least $10 million. In the mind of the public, this government has created the myth that bread wheat has been bringing the producer $6 or more a bushel. However, we shall find out in January upon receipt of the final payment, which I judge will bring a total return to our farmers of some $4 a bushel.

● (1510)

The government is all in favour of acting on the basis of the Perry Report, a settlement amounting to an increase of some 60 per cent, because the farmers will pay the full shot and increase the government's take via taxes. At the same time, the federal government, through the Treasury Board, is offering its grain employees in Vancouver, highly-trained inspectors and weighmen, only 6 per cent, although, as I have said, these people are on a lower pay scale than the grain handlers by some $2 an hour.

So, Mr. Speaker, there we have it. Make the grain growers pay the full shot for an expensive labour settlement, while the government increases the tariff for handling the grain and reduces the initial price to farmers by 40 per cent: is this the way to serve the national interest and the interest of Canadian citizens? The Prime Minister speaks of the grain companies doing a disservice to farmers. The disservice to farmers is strictly the responsibility of the government in this situation. The present government, which gave the western farmers the LIFT program and then asked the taxpayers of Canada for $200 million for hopper cars to move the grain, lets these same hopper cars sit idle. Over 200 miles of loaded boxcars are in the western division right now; over 40 million bushels of grain are stored in railroad cars. To use the government's own words, it is a mess. Mr. Speaker, it is a mounting mess. We not only need the grain moving for the next two months, but for the next 20 years.

Surely it is a reflection of an unjust society when a government will permit so much economic power to rest in the hands of so few people. It is the broader question that the government should be addressing, the problem of pockets of economic power. This is only the first labour problem with which this House will have to deal. Some mechanism must be found to take these issues out of parliament.

It may be reasonable to let the grain handlers catch up with other unions, but when does the primary producer get a chance to catch up? In Canadian agriculture we want a situation in which our farmers have confidence in maintaining planned expansion, while consumers can obtain food at fair prices. What we have from the present government is a situation in which high market prices are combined with lack of confidence in the industry. We have the worst of both worlds for the consumer and the producer.

Since January last the government has watched the west coast grain industry going down the drain. Having

let the situation slide for three months after the election, they now base legislation on a disputed, one-man report, with no assurance of increased productivity. In the minds of a good many of my constituents, the government's handling of the west coast grain situation has been a worse risk than hail, rust or grasshoppers.

Some hon. Members: Hear, hear!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the New Democratic Party has always been extremely reluctant to impose a settlement in labour disputes by arbitrary legislation. Ever since Abraham Lincoln freed the slaves, it has been held on this continent that no one has the right to set the price at which a person shall be compelled to work in our society. For this reason, it has been a tradition in Canada that the matter of determining the price of an individual's labour should be settled by negotiation and by the process of free collective bargaining.

This process works in 99 per cent of the cases which are negotiated each year, and we hear very little about it. But there are times when the two parties in a dispute are not able to reach a mutually acceptable settlement with respect to wages, hours of work and conditions of labour. When this happens, a stoppage of work ensues and in some cases the stoppage goes on for a considerable length of time. The main victims are usually the employers, who lose business, and the employees who lose wages.

There are times when a work stoppage affects not only employers and employees, but the entire economy. We are now considering a labour dispute of this description. We face a strike which has been going on for some six weeks, a strike which is having an adverse effect on the economy and, in particular, on the well-being of the wheat producers of western Canada. We in the NDP are supporting this bill because we believe it is necessary to intervene in the interest of those who produce wheat in western Canada.

It is now more than ten months since the old agreement between the grain handlers' union and the grain handling companies expired. The work stoppage has gone on for some six weeks. The main losers in this industrial conflict have been the western farmers. In a letter dated August 23 to the minister in charge of the Wheat Board, the chairman of the Wheat Board summed up his conclusions as follows:

> In summary it can be fairly stated:
>
> (a) Each day that the strike goes on will cost Canada $5 million in lost sales. A seven-week strike will cost approximately $200 million.
>
> (b) Demurrage charges will total approximately $10 million
>
> (c) Canada's reputation as a dependable source of food supplies has already been damaged. A strike now may well destroy that reputation.
>
> (d) There will be a loss of ability by Canada to meet world emergency for food needs.

We need not take all of that statement at its face value. Normally, we would lose sales. However, the shortage of grain in the world is such that we shall probably recoup the losses in sales. I believe that if the strike is satisfactorily settled, the chances are that we shall also recoup our reputation as a dependable supplier. On the other hand, turning to points (b) and (d), there can be no doubt, first of all, that the farmers of the prairie provinces have already lost $10 million in demurrage payments which will have to be made by the Wheat Board and which will come out of their final payment; and, second, there can be no doubt that we are not at the present time making a responsible contribution toward meeting the food needs of the world.

The latest report of the World Food and Agricultural Organization indicates that right now the world is short of about six million tons of grain. Hungry people go to bed night after night without having had enough to eat. Canada has always prided itself on having made a major contribution to feeding the hungry world. Therefore, it seems to those of us in this party that the time has come to bring this matter to a conclusion. As a matter of fact, it is difficult for me to understand why the government did not move sooner than it has. Those two Dead End Kids, the Minister of Labour (Mr. Munro) and the minister in charge of the Wheat Board, the Minister of Justice (Mr. Lang), announced that unless this matter could be settled quickly, the government would call parliament into session and pass legislation implementing the Perry report. But when the companies refused to accept the Perry report, nothing happened and the matter has dragged on.

● (1520)

The Minister of Labour then began to say in his press statements that parliament should not really be enforcing decisions of this kind. The government should either have kept out of the matter or called parliament together and ended it, saving the farmers of western Canada the millions of dollars they have already lost in demurrage charges, and also enabling us to meet our commitments to our customers and get grain into the markets of the world.

My good friend, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), said yesterday that this bill does nothing to deal with the basic grievances. I admit there will still be many grievances left, but the fact is that this bill will do two things which are of vital importance to this country. The first is that it will get the grain moving and save the farmers of western Canada large sums of money since charges to date now amount to three times what it would have cost to settle on the basis of the Perry report. The second thing the bill will do is to offer some measure of justice to the grain handlers on the Pacific coast. Not only do we want to see this strike ended so as to stop the very serious losses being incurred by farmers in the prairie provinces; we want to see the work stoppage ended on a basis that is just, fair and equitable to the grain handlers.

It should be remembered that it was the grain companies that asked for conciliation under the Canada Labour Code. When the Perry report was brought down, the grain companies rejected it. The union indicated its willingness to accept it. The hon. member for Hamilton West (Mr. Alexander) said yesterday that the report simply was made up of suggestions. Doctor Perry was not appointed as an arbitrator, he was appointed as a conciliator and all he could make were suggestions. Since the companies were not prepared to negotiate on the basis of those suggestions, I do not think this House has any alternative but to end the strike on the basis of the recommendations of the Perry report.

For my friends in the Progressive Conservative Party to say that this settlement is inflationary is, in my opinion, hypocritical humbug. I have not heard them complaining about the rising profits of the food wholesaling and retailing industry, the skyrocketing profits of the oil companies, or the increase in the price of oil to farmers. I have not heard them complaining about the drastic increase in the price of farm machinery. With the increase in the price of a combine this year alone, the average farmer will pay many times what he will be called upon to pay under this settlement—approximately one cent a bushel. Nor have I heard the official opposition talking about the increase in the price of anti-freeze and other items. The fact is, as the hon. member for Qu'Appelle-Moose Mountain said yesterday in the debate, that an increase of even 5 per cent would be inflationary. It is true that any increase is inflationary.

Are my friends in the Progressive Conservative Party suggesting that no increases at all should be granted? This year the cost of living has increased 11.5 per cent. We must remember that these workers will be signing a two-year agreement, which means they are guessing what the increase in the cost of living will be next year. Nobody but workers contract to sell their labour at a price, not knowing what will happen to the cost of living. I have not heard these hon. gentlemen protesting the fact that over the past year the income, in real dollar terms, of a worker in Canada has declined by $5.50 per week, or protesting the fact that the share of total national income that has gone to wage and salary earners has declined, while the share that has gone to corporations has increased. Is it now being suggested that 553 men who handle grain for five companies are to carry the burden of stopping inflation, while oil companies, banks, insurance companies and food distributing agencies continue to pile up profits? Surely this is the height of absurdity.

The farmers themselves have had very substantial increases in their prices; and they needed them, because for decades in this country farmers have been producing food at the cost of production and in some years at less than the cost of production. We have said that instead of freezing prices and wages we should try to iron-out inequities. If any group has suffered from inequities, it is the farming population, particularly the grain producers of western Canada. They received an increase and were entitled to an increase, and no one is objecting to their getting that increase. But surely we cannot say that everybody must mark time even though the cost of living is increasing.

The real argument here is not whether this is going to cost, as the grain handling companies say, an additional 61 per cent, though now they are talking about 48 per cent and the minister says the increase in wages is about 15 per cent. You can have endless arguments about statistics, but that is not the point at issue at all. The real point at issue is whether these 553 men should be discriminated against, whether they should be working for $1.25 an hour less than the dock workers beside whom they work. May I say that they work under much more hazardous conditions, much less healthy conditions, than do the dock workers; and they work beside men who have a pension plan while they have none.

The hon. member for Qu'Appelle-Moose Mountain was quite correct when he spoke of frustration and lack of communication between workers and employers in the grain handling industry on the Pacific coast. What are these men asking for? They are not asking for the moon. They are asking to be brought, step by step, up to parity with the longshoremen beside whom they work. This agreement will not give them parity with the longshoremen; they will still be getting 25 cents an hour less in wages and they will still be getting 25 cents an hour less in their contributions to the pension plan. But at least it will bring them close to the longshoremen, and I say they are entitled to that.

● (1530)

In my constituency there are many hundred longshoremen and I know many of them. I can tell this House that they do not live the life of Riley. They are not living in affluence. I suggest to the grain handling companies that if the wages they are paying are so low that will it take a 48 per cent, a 68 per cent or any other increase to bring them up to parity with the longshoremen, that is not something of which to be proud. These men are entitled to a comparable wage and to parity with the men alongside whom they work. They are entitled to a pension plan for the first time. Any employer, in this day and age, who does not have a pension plan for his employees has nothing to boast about.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): Any company that allows the type of working conditions which have obtained in the elevators at Vancouver ought to be taking a very serious look at its public and employee relations.

There is no doubt that what the hon. member for Qu'Appelle-Moose Mountain said yesterday is correct: implementing the Perry report will not settle all the problems. Of course, there will be many other problems. But if this legislation gets grain moving, removes the sense of legitimate grievance which these men have, convinces them they are going to be allowed to move toward parity and makes it possible to establish better relations, then I say we will have taken the first worth-while step. It goes without saying that the secret of successful management-labour relations is to remove any sense of injustice and to help the men feel they are being treated fairly and equitably as compared with their fellow workers.

I am glad the government is going to set up a public inquiry to look into grain handling facilities. Let me make one suggestion to the government. It should not only look into grain handling facilities but into grain transportation facilities in this country. Our farmers are probably the most modernized and efficient producers of grain in the world, but they are serviced by one of the most inefficient and obsolete grain transportation and handling systems in the world. If the government considers the coal handling and transportation facilities on the Pacific coast, comparing them with how we handle grain, it will understand why we have faced these difficulties in the last few years.

Let me refer again to the letter dated August 23 which the chairman of the Wheat Board sent to the minister, in

which he pointed out that the Wheat Board has firm commitments which will require 700 cars per day. He said they were now getting 140 to 180 cars. I can recall flying over Vancouver harbour time and again and seeing 19 or 20 ships waiting, not because there was a strike but because grain supplies were not coming through on the railroad. If the government is going to look into grain handling facilities—and it should in order that they will become more efficient and more effective in handling grain—it will be of little value unless the government is prepared at the same time to look into the transportation system which in this country is obsolete and is still using outmoded methods for both the transportation and distribution of grain.

Therefore, Mr. Speaker, I do not suggest for a moment that the passing of this bill will solve all the problems in respect of handling grain, but we in this party support it. We support it because we think that by ending the strike we will be assisting the farmers of the prairie provinces. I would point out that on the basis of what this strike has already cost the farmers, they have paid the total cost of this agreement at least three times over. We are supporting this bill because we think that in justice and equity the very least we can do is take the first timid step toward putting the grain handlers on the Pacific coast on a par with their fellow workers on the docks.

Some hon. Members: Hear, hear!

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in following the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), a gentleman whom I hold in great esteem, I am sorry to say that he seemed to fall into the error which other members of his party fell into during this debate, the same error which the lead speaker for his party—the hon. member for Regina-Lake Centre (Mr. Benjamin)—condemned the government for falling into. He seemed to start off by taking sides in this dispute. That is exactly what this House is not called upon to do, and it is exactly what the hon. member for Regina-Lake Centre, in the debate yesterday, accused the government of doing. Of course, he was right. It is essential that all hon. members realize that we in this House are not called upon to determine whether the Perry report is right or wrong. We are called upon to pass a bill which will implement the Perry report whether it be right or wrong. The whole point, Mr. Speaker, is that the collective bargaining process has been interfered with because the government took sides, as the hon. member said yesterday.

I think it is important to commend the Minister of Labour (Mr. Munro) and his officials for the fact that the minister will appoint an industrial inquiry commission. If there is one thing on which all hon. members agree in this debate, it is that this kind of labour-management dispute affects the national interest. In his speech yesterday, the Minister of Labour admitted unequivocally that the work stoppage which has halted the shipment of Canadian grain adversely affects the Canadian interest.

Along with other members of this party, I had the privilege of meeting representatives of the grain handlers, the managers of terminals in Vancouver and, in Calgary, several of the presidents of the co-operatives. Our discussions were frank and useful and I express my appreciation and, I believe, the appreciation of my colleagues for the co-operation we received from both management and labour.

There is no question that relations between the two sides to this dispute can be improved. On this I agree with other spokesmen in this debate. It is clear to us that neither side believed that the other was prepared to negotiate in good faith. In that atmosphere, it is difficult to come to any agreement. Perhaps an industrial inquiry commission will make recommendations which will prove helpful. It is at least a positive step, and for that I commend the minister. However, in respect of the government's handling of the situation to date there is no room for commendation, and no reason the government should expect our party to endorse its conduct by voting for this bill.

From the moment the Minister of Labour endorsed the Perry report, any hope ended of the parties reaching a settlement. The hon. member for Assiniboia (Mr. Goodale), who made his first speech in this House yesterday, said some thoughtful things. He said some other things as well. In defence of the government, he said that the Perry report was the end product of the collective bargaining process. That, clearly, is not correct. It is not correct because Dr. Perry, clearly, did not intend his report to be the end product of collective bargaining. Let us consider what Dr. Perry said in his report. I quote from a letter to the Minister of Labour, dated April 22:

> —I am, therefore, submitting for your consideration some suggestions which, hopefully, might form a basis upon which the two parties could, ultimately, enter into a two-year agreement.

● (1540)

Dr. Perry wrote that report, in a spirit of meditation, as the basis upon which the parties could ultimately enter into an agreement. What would the report have been had he been functioning as an arbitrator? As my hon. friend said a few moments ago, we do not know and apparently never will. Apparently neither the Minister of Labour nor the minister in charge of the Canadian Wheat Board read Dr. Perry's letter, or if they did they ignored it. Either way, they took sides in the dispute by endorsing the report and made matters worse by saying the report would be legislated by parliament if the parties could not agree. The hon. member for Regina-Lake Centre, speaking on behalf of his party, accused the government of ineptness in publicly taking sides. He is right: it was the taking of sides which ended all hope of settlement.

It should be apparent to all hon. members that it is not the government's responsibility to take sides. Nor, I might add, is it the responsibility of hon. members to take sides. It is regrettable that the position on this matter, put so sensibly by the hon. member for Regina-Lake Centre, was not heeded by other members of his party and members of the government. The government's action, in addition to making a farce of collective bargaining, amounted to an absolute abdication of responsibility for the national interest—which was, and is, to keep grain moving to Canada's customers abroad.

The Minister of Labour invoked the Canada Labour Code to prevent a strike taking place during the election. Why? Because of the national interest. This was admitted in the speech yesterday. The Minister of Industry, Trade

and Commerce (Mr. Gillespie) repeatedly has stated his concern that Canada must maintain its image as a responsible supplier. The evidence is overwhelming that this work stoppage involved the national interest. The conflicting statements made by government spokesmen, however, are quite extraordinary. The minister in charge of the Wheat Board, in mid-summer said:

> We have successfully sold a tremendous amount of grain at top prices and need an all-out effort to deliver it. Not only is it in the interests of the western farmers to whom it is particularly crucial that we deliver, but in the national interest as well.

In March, 1974, Mr. G. N. Vogel, chief commissioner of the Canadian Wheat Board, said:

> Canada's grain transportation system has fallen down so badly that the country's reputation as a dependable supplier of grain to the world market is threatened.

On August 23, Mr. Vogel wrote to the minister in charge of the Canadian Wheat Board as follows:

> Our board urges every effort be made to effect a quick settlement of the impasse, including, if necessary, the immediate recalling of parliament.

Incredibly, in September the Minister of Labour was saying that parliament should not be recalled because the dispute was not truly national; and this after he had threatened to recall parliament and had accepted the Perry report as being the end of the matter. He said that parliament should not be recalled because the dispute was not truly national. I ask, is it any wonder that a columnist in the *Financial Post* called such a contention absurd? At the commencement of the complete tie-up of all grain movement in August, the Minister of Labour said:

> —the farmers aren't hurting.

He went on to say:

> Everybody is concerned about delays in delivery, but it's a seller's market. Besides, those who have negotiated grain contracts with Canada are aware of the Canadian way of handling labour disputes and that we have no control over port movement—those countries know that.

The stance of the government became even more incredible when the Minister of Labour flew to Vancouver in the first week of September. He did not speak to management or to labour. He held a press conference, and as suddenly as he appeared he disappeared. He said:

> I am, quite frankly, trying through you and the public to make a plea to inject some rationality into this dispute—

The public was confused about whether there was any national interest in the strike. It was confused about the government's position, and was so sure there was no rationality in the government's position that the government truly looked ridiculous. As one columnist said—

> As a result, labour minister John Munro stands undressed. His colleague, Wheat Board minister Otto Lang, is almost as naked.

It is quite clear that the strange antics of the Minister of Labour and the minister in charge of the Wheat Board had created an impasse, having—at least by insinuation—threatened the recall of parliament to legislate the Perry report. Neither side could budge. Why should they? All this time the Minister of Labour was asking the parties to somehow continue negotiations. Negotiations toward what end? Why should the union negotiate? Why should the co-ops negotiate? The government's clumsy and ill-considered statements guaranteed no settlement short of parliamentary action.

Yesterday the hon. member for Assiniboia said that the official opposition was not very concerned about restorting the movement of grain. Apart from the fact that such a statement is nonsense, the hon. member seems to have a very selective memory of what has happened. The government, despite all the conflicting statements, did believe the grain stoppage affected the national interest. The government, quite properly, invoked the Canada Labour Code and prevented a strike before the election.

I say that the government was wrong in endorsing one side's position. Having done so, and at the same time having threatened to recall parliament to end the dispute, the government had a clear duty to maintain consistency and do exactly what it threatened to do. Having bungled the collective bargaining process, parliament should have been recalled by the government.

Once the government stopped a strike in May because of the national interest, it is ludicrous to attempt later to say that it was not a matter of national interest. From the time the election was over, the responsibility for slow-downs and then complete cessation of all grain shipment rests solely with the government. This government had a duty to act in the national interest, and it has failed utterly to do so.

I have no doubt the Minister of Labour was sincere when he threatened to recall parliament. I have no doubt he was overruled by the Prime Minister (Mr. Trudeau). But it is fair to ask what other government members were doing to persuade the Prime Minister to meet the government's obligation to the national interest. And, especially, what were the Liberal members from the Vancouver area doing? They knew that the grain stoppage was affecting the national interest. They knew the grain stoppage should have been ended, no matter with which side they sympathized, and they knew—or should have known—that only parliament could get the grain moving again. As I said earlier, the hon. member for Assiniboia said some thoughtful things. He concluded his speech by saying: "We must heighten our resolve to find a better way".

It is true that this dispute is the result of a breakdown in communication and understanding between the parties. The union has stated its desire to meet with management to discuss a better way to move grain, and I believe management is prepared to do that. The union expressed, I believe, a sincere desire to solve the problems of productivity, incentive, efficiency and communication. Some of these matters may be resolved by the industrial inquiry commission. But underlying all this is a serious defect in our approach to negotiations in cases involving the national interest or, for that matter, essential services.

Collective bargaining proceeds on the assumption that each side has two traditional weapons, lock-out and strike. But in cases of national interest, overriding public interest or essential services—all such terms are used—both parties are asked to negotiate knowing that these economic weapons are not really available, or at least are available for only a very short time. I have said before that the right to strike or the right to lock-out in such cases is largely illusory. As a consequence, one side or the other can use the inevitable fact of parliamentary intervention to what

they perceive to be their own advantage. The Woods report tried to deal with this problem by recommending an industrial disputes commission. Recently, the Minister of Labour has been talking about a series of discussions with labour, industry and other groups to find a solution.

The traditional view that these disputes are settled in free bargaining and are determined by the relative strengths of the parties was put by the Minister of Transport (Mr. Marchand) last August 31 in the debate concerning the railworkers. He said:

> How is the level of wages established? Is it according to a certain rule of justice, as I heard yesterday? No. It is according to the strength of each party. I have been in that trade all my life. I was involved in certain strikes where the justice of cause was very clear, and we lost. I was involved in others where it was less evident, and we won. Why? Because we were weak in the first case and strong in the second. This is the way disputes are settled. They are not settled according to certain criteria or principles known or accepted by everybody. It is free bargaining.

● (1550)

That has been the traditional view, Mr. Speaker, but in my submission it is old fashioned and outdated. Mr. R. C. Smith, chairman of the non-operators negotiating committee, on June 19, 1973, said the following to the conciliation board:

> It may be said that the last two collective agreements have resulted from collective bargaining without the intrusion of parliament. Nothing is further from the truth. We are never removed from the shadow of parliament which hovers over us and which, by its very presence, successfully protects the interests of management.

Mr. Speaker, it seems to me there is a lesson to be learned from this impasse. It is clear that the system of collective bargaining involving management and labour in those parts of the economy which affect the public interest or essential services, is not working.

The fact is that where the national interest is vital, the traditional weapons are not effective but we continue to negotiate as if they were. We are operating under a myth and, until we face this fact, we will be unlikely to reach a solution satisfactory to the parties or the public interest.

Yesterday, the Minister of Labour (Mr. Munro) said in reference to this dispute that if he had to do it all over again he could not see how he could do it differently. I am sorry to hear that, Mr. Speaker, because there was a different way to do it and there still is a better way to do it.

In closing, Mr. Speaker, I would suggest to the Minister of Labour that he consult with the hon. member for Assiniboia (Mr. Goodale) and, to use his words, "heighten his resolve to find a better way".

Mr. Ron Huntington (Capilano): Mr. Speaker, allow me to congratulate you on your appointment to your high office. Mr. Deputy Speaker, may I also congratulate you.

My colleagues, and particularly the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), have put forward very constructive and positive suggestions about the eventual solution of this labour-management dispute that is so central to the problems that exist in Canada today. I am not going to take up your time by repeating the things that have been said. I will take time, however, to express another viewpoint that I think is paramount, and that is to ask how we in Canada are going to solve the labour-management problems facing us.

It is a fact that higher prices cause higher wages and higher wages push up prices. From my sphere of business, one cent of direct cost on a consumer item at the manufacturing level that is not absorbed through productivity, becomes five cents at the consumer level. Higher prices cause higher wages. Higher wages do push up prices and the ferris wheel goes round and round. Where it stop, history knows only too well.

Bargaining normally comes to a halt in a major recession and breaks either the corporation or the union or both. An exception is the case of the strike lock-out with the grain workers in Vancouver. Bargaining came to a halt when two ministers of the government autocratically ordered the settlement on the basis of a report that in my opinion was never intended to be legislation. That report also contains clauses and costs to management that were not asked for by the union at the bargaining table. The autocratic action of these two ministers in ordering settlement on the terms of the Perry report finished meaningful negotiations in the dispute and made further collective bargaining under federal jurisdiction a farce and meaningless.

Was there room for ongoing negotiations in the Perry report? I say there was. Management took an exaggerated calculation and said it was going to cost them $3.03 additional on their base net figure of $4.96. The union's calculations showed $2.14. Half a cent a bushel difference in cost, and there was no further talk. This is utter madness and a disregard of the best interests of Canada.

To legislate this report sets an official government benchmark that leaves more and more people in the Canadian work force, and those on fixed incomes, further and further behind in purchasing power. This government serves well the organized monopolies which have high leverage. The fruits of this land are truly for the pockets of power under the Liberal government. Sooner or later—and I hope my effort makes it sooner—we will have to update the purchasing power of the unorganized workers in this country who make up two-thirds of the work force and who are not enjoying the fruits of collective bargaining. I am not so sure that those who are organized want them, however, because they would have to share too much of their gain.

I am from the nice, clean, straightforward world of business, Mr. Speaker. During this dispute I have spent time with management, their negotiating committee, union negotiators, the picket line and the company presidents. In all honesty, I must say that I was not impressed with the sincerity of management or the quality of the negotiations. The management negotiating unit did not indicate to me that they had a comprehension or a unit of measure for the human quotient of the present-day need of a modern work force. Management and the companies, understandably, still carry the fears and values that are rooted in the thirties. They did not show me an awareness that in Canada new values, new social concerns and new life styles now make up a significant part of this country's work force.

Since 1967 we have seen the conflict that has existed in many Canadian homes and the testing of parental author-

ity. We have watched youth testing the values of our established systems on our campuses and our school grounds. We have watched the establishment in our society being tested in recent years. These people are now part of the work force of Canada. They resist the old autocracy and parentalism of the establishment. Surely we know this by now. They feel they have a right to ask, why? They are intolerant of wasteful methods and tired egos. They respond to being asked to take part in the planning of new production methods, and there is proof of this in England and in West Germany. They respond to meaningful communication and to a sense of belonging in their daily work. They also want some meaning from that daily work. They are entitled to clean toilets and pleasant eating conditions and, surely, to a proper lunch period, as are others in the province of British Columbia.

Nowhere did I see, or sense, on the part of management, an appreciation of these job enrichment factors that are so important to the productivity and peace of a modern economic enterprise. You might think I am far left, speaking from a free enterprise platform, Mr. Speaker, but I want to protect this free enterprise system. I believe sincerely, from the bottom of my heart, that management today has to understand that in this era of social change, their economic unit or franchise must serve man and serve him well.

● (1600)

Management must serve its customers, its employees and its suppliers. If my peers in management fail in their job enrichment, comprehension, fail in their leadership and encouragement in areas of productivity, if they continually blame, not serve, their labour force, this country is surely going to be delivered to a system of state capitalism. I do not believe that state capitalism can serve man's needs and freedoms as well as enlightened leadership in a free enterprise society.

Why are not human considerations and productivity considerations part of this legislation? The government has had enough time to instil them into the bill. Let us use this senseless circumstance as the starting point for a new era in labour-management relations. Let us return to the dream that built this country. May labour and management heal their wounds and come together in meaningful dialogue after the passage of this bill. Let them be wise enough to remove the stigma of forced legislation from their dialogue. May they remember that increased wages without corresponding productivity shove up prices. Higher prices pull up wages. High interest rates further push up prices. Increased government spending increases demand. Demand increases prices. Higher prices pull up wages. Higher wages push up prices. The end of this mad, insane spiral is collapse.

The roots of inflation are political. Is the leadership we are seeing in this area deliberate? I ask members of the government to remember that their mandate in 1974 came from Upper and Lower Canada. I ask them to stop imposing their traditional, and what I call imperialistic attitudes and mistakes on Canadians of the west. We in the west are trying to build trading corridors to the Pacific. We need the government's help, and not its ill conceived interference.

[Mr. Huntington.]

Mr. Doug Neil (Moose Jaw): Mr. Speaker, this is the second time within two years that parliament has been asked to pass legislation forcing men back to work. It is a disagreeable task which members of parliament do not relish. If this legislation had simply provided for resumption of work and for the parties to resume collective bargaining in the best interests of the nation, it would be acceptable. Yet we, as legislators, are being asked to decide on increases in wages and other benefits without being given the full facts or the opportunity to examine witnesses from both sides. We are asked to legislate benefits arbitrarily decided by the government, without being given the facts. I respectfully submit that no member of this House is qualified to make such decisions.

I represent a constituency in Saskatchewan which depends primarily upon grain production. This year, 1974, has been a tragic one for prairie grain producers who have been plagued with spring flooding, late seeding, drought, severe grasshopper infestation, early frost and, now, snow. On top of all this we have the grain handlers' strike. The present strike will cost prairie farmers at least $10 million in demurrage charges, an unknown amount in penalties under our contracts with importing countries, and we will suffer loss of prestige and will lose our reputation for reliability as an exporter of grain. These factors will affect our grain sales for many years to come.

The *Globe and Mail* "Report on Business" of Friday, October 4, 1974, says the following about the grain handling situation:

> Japan has been forced to buy spot cargoes of wheat at a premium from the United States because of the six-week old grain handlers' strike in Vancouver, according to the Canadian Wheat Board.
>
> The board said yesterday that the amounts of wheat Japan was forced to buy amounted to 'hundreds of thousands of tons.'
>
> The grain handlers' strike would have caused even more damage to Canada's reputation as a reliable exporter but for the fact there is so little available grain in the world that importers have had to stick with this country.
>
> It will take, even under the best of circumstances, more than the balance of the year for the board to catch up with its shipping program once the strike is settled.

We cannot blame the government for the vagaries of the weather or of mother nature, but we can blame it for having brought on the strike and for failure to bring it to a quick end. I was interested in the remarks of the hon. member for Assiniboia (Mr. Goodale) and compliment him on his capability and confidence. He has been well trained, possibly because he once worked for the minister in charge of the Canadian Wheat Board. He suggested that the official opposition is not concerned about settlement of the strike and said that we are using delaying tactics. He reminded me of the Minister of Agriculture (Mr. Whelan), who in the last session, during third reading debate on the crop insurance bill, said the opposition had deliberately delayed passage of the bill. Actually, we had asked the government often to bring it forward and said we would pass it and put up only one speaker.

Here the government is dragging red herrings across our path. When it is backed into a corner and is embarrassed, such are the tactics it uses. Sometimes they work, but not all the time. I am sure that on this occasion the farmers of western Canada will not be fooled.

I will not waste time examining the facts and the sequence of events leading up to the strike, because other spokesmen have covered them. It is sufficient to say that when the Prime Minister (Mr. Trudeau) supported the minister in charge of the Wheat Board and the Minister of Labour (Mr. Munro), who had told the grain companies to settle or the government would legislate on the basis of the Perry report, the collective bargaining process ceased and the strike became inevitable. I was interested in listening to the Minister of National Revenue (Mr. Basford) who is as skilful as other members of his party in wriggling out of embarrassing situations by making accusations.

Mr. Baldwin: He is slippery.

Mr. Neil: Right. He quoted from the Vancouver *Sun* the remarks of an opposition member in Vancouver which he felt would embarrass the opposition. When called upon by members on this side to quote the balance of the news report, he ignored them. He was quick to give the impression that the opposition was in no rush to see the strike settled. I wonder whether he consulted his cohorts, the Minister of Labour and the minister in charge of the Wheat Board, and saw the correspondence they had received from opposition members and members of the public.

● (1610)

On August 29 I wrote to the minister in charge of the Wheat Board. I insisted upon the immediate calling of parliament in order that the matter could be fully debated and resolved. I did not state that I would support the legislation. With the government having stated its policy and being in a majority position, I was fully aware that any legislation presented would be passed. However, I do want the matter fully debated and resolved.

Had parliament been recalled at that time, the matter would have been resolved quickly. Millions of dollars would have been saved. It was some five weeks ago that I and other members asked that parliament be recalled. Apparently, the matter was not urgent at that time. Parliament has now been convened. After ten days of sitting, the bill has been presented. The opposition should have the opportunity of debating it for a day and a half. However, the matter has now become urgent. We are being accused of irresponsibility because we want more than one speaker to take part in this debate. Surely the opposition has some responsibility to the public to bring forth the facts and debate the matter so that the public can know what is taking place in this country.

I understand that the steering committee met yesterday. Because of the majority of government members, it was agreed that no one other than the minister and members of the Department of Labour would be called as witnesses before this standing committee. Surely members of the committee are entitled to an opportunity to have witnesses called from labour and from the government. Only in that way can the facts in dispute be brought before the public.

I have examined the Perry report. It is interesting to note the following statement in the preamble:

> Given the circumstances, the recommendations which follow can hardly be expected to do more than indicate a series of intermediate changes with which both parties may be able to associate themselves as they try to conclude a settlement in a difficult year.

I read that paragraph to mean that the report was simply a basis upon which the parties should further negotiate. This is what was intended. I understand the report recommends a higher settlement than that asked for by the union. It includes many side benefits that were not even asked for. Yet the government seized on the report and made it the basis upon which they are legislating an end to this strike. It appears the government is not too clear on what is meant by the Perry report. There is a provision in clause 7 of the bill for the appointment of a referee to interpret the provisions of the Perry report if there is any dispute. Let us hope the referee appointed will be more skilful and fair than the referee who officiated in the U.S.S.R.-Canada hockey game last Sunday.

With regard to the wage increases recommended in the Perry report, there are many conflicting arguments as to the percentage increase. In his remarks last evening, the minister in charge of the Wheat Board denied that the increase was 61 per cent. He was asked several times by members on this side to give the correct figure, and he refused to answer. I should say, he parried the question with the skill of a good politician who does not know the answer or is not prepared to give it because it might embarrass him. Surely the Canadian people are entitled to know that figure.

In my view, the minister's attitude can only mean that the figure of 61 per cent is close to being correct. If this is so, in my opinion a settlement of 61 per cent will become the basis for settling future labour disputes. Certainly, other unions will be justified in asking for a settlement of this magnitude. The Prime Minister suggested this settlement really will not provide a base line. He said the present situation is unique. I disagree. If settlements of this magnitude become common, it will mean acceleration of the present rate of inflation and will lead to economic disaster in Canada.

It is interesting to note that employees of government elevators in Moose Jaw, Prince George and other areas have been for some time negotiating a settlement with the federal government. These people carry out duties similar to those of the grain handlers in Vancouver. Their base wage is lower than the Vancouver grain handlers at the present time, yet the government has seen fit to offer the employees of these government elevators an increase of only 6 per cent. Is that treating these employees fairly?

With the majority the government has in this House, and with the support of the New Democratic Party and the Social Credit Party, there is no question that this legislation will pass. However, for the reasons I have outlined, I cannot support it. The minister said an industrial commissioner will be appointed with dispatch. In addition to that, I hope he will arrange to bring together representatives of management, labour and government to discuss ways and means of solving labour disputes without resorting to strikes. Until we have a spirit of co-operation between these two groups, labour unrest will continue at tremendous cost not only to productivity but wages to employees. If this situation continues without solution, parliament

will be called upon time and again to carry out a function for which it was not intended.

● (1620)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to participate ever so briefly in this debate, not necessarily to criticize, but to make a few suggestions that this unfortunate conflict might be settled as soon as possible, and that, in the future, the government might take steps to prevent similar conflicts as much as possible.

Mr. Speaker, the government introduced the bill under study as a result of the prolonged interruption in grain handling operations.

This problem resulted in considerable losses for the Canadian economy. I shall not enumerate them; quite a few have already been discussed.

It is thus in the interest of the Canadian people and our country that operations resume at the earliest possible date.

No one, Mr. Speaker, denies the fact that the work stoppage of the grain handlers caused distress in our society. Some of its short term effects are truly disastrous. It will also have harmful effects in the long run, the brunt of which the country will have to bear.

Far be it from me to blame the workers concerned in this conflict. On the contrary, I sincerely believe that they are the victims of a seriously affected economic system. When someone is ill, we try to give him the necessary care in order that he may get well again as soon as possible.

Mr. Speaker, to be convinced we only have to look around and see what is happening in the country; strikes are increasing at a frightful rate and this will not help lessen the causes of inflation from which the entire population is suffering.

The bill now under consideration is aimed at the resumption of grain handling operation on the west coast of Canada; first, through the extension of the collective agreement up to November 30, 1975 if necessary and, second, through the increase of the hourly rate up to 87 cents. In my opinion, it would perhaps be possible to study the matter more closely and to improve the hourly rate.

Thirdly, there is mention of prohibiting strikes and lockouts. It is unfortunate that we had to resort to such radical means, but I believe that the moment has come to establish some authority in this country so as to maintain law and order, for the whole country is in turmoil at the present time. We had to start somewhere.

Fourthly, I agree with the bill compelling the companies and the union to negotiate. If they wish to sit down together and consider their common problems, then this bill is of no consequence. They will have to abide by it, or else, an arbitrator will have to be designated. This is another radical situation and future legislation will have to provide for cases like this one, so that it be unnecessary to recall Parliament to settle these conflicts.

Mr. Speaker, this bill will put an end to one conflict, but it will not help prevent others.

I know that this problem is exceedingly difficult. It has to conciliate money-capital with labour-capital. I know

that the Minister of Labour (Mr. Munro) may be blamed for having failed to act sooner or still to intervene too soon. On the contrary, I personally believe that he is the victim of an obsolete system.

We are living under a capitalist regime. It is a good formula by itself, but it has become corrupted; it is sick, as I said previously. Improvements must therefore be brought in. Either such a system will be reformed by well organized men or it will be destroyed by the others. There is no middle course! This is why I find it very important for Parliament to settle not only the present dispute in the west but also to pass legislation designed to avoid others.

Conflicts between proponents of capital and labour have been going on for many years, but it clearly strikes me that they are multiplying and that they are becoming more and more serious.

We are confronted with a vicious circle, in which the increase in the cost of living forces workers to ask for higher wages; if they do not get them, workers resort to strike action. However, wage increases partly explain the increase in production costs. They might not be the only reason for this increase, but as I have already stated, they partly explain it. The increase of production costs brings about an increase in prices. These same prices decrease the workers' purchasing power, and the whole process starts over again. Mr. Speaker, this brings to mind the picture of a dog running after its tail without ever being able to catch it. It might keep on running for a long while, but its efforts will be to no avail.

● (1630)

Faced with the impossibility of money-capital and labour-capital to agree through negotiation, it is the government's duty to intervene, since it must act as an arbiter in encouraging, through fair legislation, the acknowledgement of the rights both of money-capital and of labour-capital. Legislative power's right to regulate working conditions has seemed in the past to be useless, ill-timed and dangerous. One need only refer to history in order to understand in what frame of mind certain of our contemporaries have shown a measure of timorousness by legislating on these matters. However, it is on behalf of the common welfare that the state has both the right and the duty to adopt protective work legislation. This care for common welfare must be both the inspiration and the measure of intervention by the state. If this concern is ignored, we will surely go wrong.

Faced with the profound transformations which have been the lot of several of our economic sectors, and with the improved state of communications, the man in the street is better informed and is becoming ever more aware of his rights. We must rejoice in that fact. Workers in particular demand that labour-capital get a larger share of the national income. Statistics show beyond a doubt that workers have not yet obtained their part of the national income, to allow them to meet their obligations as well as the steady increase in the cost of living.

The escalator formula everybody is talking about these days may be right for certain categories of people on fixed incomes. I think this formula cannot be considered as a solution, nor will it make it possible to reach the goals sought in all cases.

When salaries increase, producers boost their prices because of higher production costs. Then, workers ask again that their salaries be geared to the increase in the cost of living. Where does it stop? This is like a pyramid but nobody knows what is at the top.

I remember that a few years ago economists who wanted to disprove the economic theories of Major Douglas, the founder of Social Credit as we know it, were saying that if that economic doctrine were implemented, it would be inflation, that the pyramid of prices and salaries would be horrible, that it would be economic chaos and that the dollar would lose a great deal of its value.

Mr. Speaker, Social Credit policies have not yet been implemented, yet we have that economic chaos foreseen by those learned economists.

I think the time has come to look for other solutions so there will be a closer cooperation between money-capital and labour-capital.

My colleague the hon. member for Abitibi (Mr. Laprise) in taking part in this debate on this bill, made certain suggestions to prevent further conflicts which generally speaking never benefit the workers. I have never seen workers come out of a conflict better off than before.

Mr. Speaker, I would like to make a suggestion to the Minister of Labour (Mr. Munro) and this government that could promote better understanding between employers and employees. I am talking about the participation of workers in businesses. Whether we like it or not, that will be the ultimate solution if we want to get the maximum out of our human and material resources for the greatest benefit of all Canadians.

Participation of workers in the company, this is how we could call this new policy. However, the formula of worker participation in company profits must not overshadow the fact that there must also be participation of the workers in the development of Canadian companies. Not only do we have rights in our society, but we also have duties that we must accept if there is to be some order. And I insist on the fact that there must be development, not only through the investment of labour-capital, which in my opinion, is the most important aspect, but also through the investment of money-capital when profits allow it, or by any other means.

Mr. Speaker, the international congress of participation in profits which was held in France in 1889 defined participation in profits as follows: a voluntary agreement under which the employee receives a predetermined part of the profits.

Another method has also been suggested according to which an employer makes available to his regular employees, in addition to their ordinary wages, immediate or deferred payments based on company profits.

Another method could also be advanced to increase production and reduce costs. This involves the human cooperation brought about by the direct participation of employees who, in addition to their regular wages, benefit from company results measured in profits, which means that the more effective the company is, the more significant its results. But the worker could share in this effectiveness in some financial capacity.

This system of worker participation in the company was suggested in France around 1850, and the company that had the good idea of allowing its employees to participate in its profits never had any conflicts in its plants. This company still operates and has more than 1,000 employees. This has not stopped its development. On the contrary, it has developed even more.

Participation is now a human right. Every man must be co-author, co-responsible and co-beneficiary as far as the work of the company is concerned. Everybody has a right and a duty to participate. In this sense, the problem of participation must be set in terms of the rights of those concerned rather than in terms of the duties of management. Participation must go as far as the transformation of the business structures. These new structures must allow a continuing dialogue, not one that takes place every 18 or 24 months.

But these new structures must not encompass a sharing of authority. On the contrary, the managers must always retain the responsibilities of direction. We might discuss endlessly whether such a participation is a right of the workers but in any case, most business managers have always been more concerned with their interests than their responsibilities. It is high time they should be reminded of their duties.

Nowadays, there is no more room for mistakes in assessing workers mentality. The systematic denial of participation in a certain management of the business is the main reason which I think makes unions and workers tend to socialism and its extreme form, communism. Their social responsibilities are extremely important, but if they are not carried, we are heading for a period of violence and restlessness.

That is why, Mr. Speaker, I think it was relevant to ponder over this problem and make the suggestions I have presented and which I will repeat to conclude my remarks.

In order to reach that goal, the government will necessarily have to bring amendments to the fiscal legislation so as to ensure tax benefits to workers who will participate financially in the company besides participating through their work. It does not behove me to find the formula that would be suitable. I am making that suggestion and I am convinced that whenever there are benefits there are inevitably people who are interested. Such changes would entail certain tax benefits for companies and that goes for employers as well as workers.

We must also be convinced that the government should make it its duty to ensure all members of our society a reasonable participation in the production of wealth so they may all secure a sufficient living income.

That is why I am saying again today that work is an instrument given by the Creator to process in a detailed form what he put in bulk on this earth and that work will always remain an extremely valuable instrument. We must strive all together to bring the notion of work into currency again in the mind of our people who are going through difficult times.

Finally, the formula of the annual minimum guaranteed income advocated by the Social Credit party of Canada would greatly contribute to the solution of those problems, as it would enable workers to get a larger income without

that part of the income affecting prices. That way, we would avoid runaway inflation.

I am more convinced than ever, Mr. Speaker, that the time has come for this government to listen attentively to Major Douglas' suggestions and ideas instead of rejecting them outright as unpractical.

Mr. Speaker, I suggest that really valuable suggestions were made during this debate and that the government, the Minister of Labour (Mr. Munro) and his advisers should read over again the speeches made during this debate in order to lay down such policies that we may hope in the future that the Canadian people will not have to put up with disputes of that kind but on the contrary, that there would be an agreement between labour-capital and money-capital and that it would be beneficial to everyone.

● (1640)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): Order, please. Before recognizing the next hon. member I wish to inform the House of the proceedings for the adjournment debate this evening. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Simcoe North (Mr. Rynard)—Health—Request for federal government sharing cost of nursing homes and home care—Government position; the hon. member for Central North (Mr. MacKay)— Transport—Alleged action of Laurentian Pilotage Authority changing basis for pilot's certificate—Government position; the hon. member for Kingston and the Islands (Miss MacDonald)—Research—Need for additional funds in medical field—Number of scientists leaving Canada because of lack of funds.

GOVERNMENT ORDERS

[*English*]

WEST COAST GRAIN HANDLING OPERATIONS ACT, 1974

MEASURE TO SECURE THE RESUMPTION OF OPERATIONS

The House resumed consideration of the motion of Mr. Munro (Hamilton East) that Bill C-12, to provide for the resumption of grain handling operations on the west coast of Canada, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I appreciate being allowed to make a few comments during this debate since I too represent a constituency in which farming plays a very vital role, namely, the northwestern portion of the Peace River country. Before getting to my general remarks I should like to respond to a few comments by some of my colleagues earlier, particularly those of the minister responsible for the Wheat Board (Mr. Lang). From what he said last night he seems to think the Conservatives have found a new ally in their attempt to place the burden of inflation on the backs of the workers, and that it would be our attempt to blame the government for this.

The minister comes from a farming community, and I dare say that he has at one time worked on a farm. I wonder if he does not consider the farmers of this country to be working people. The farmers are the people who will ultimately have to pay the cost and suffer the consequences of the imposition of this bill on the grain handling companies in Vancouver.

Last night the Minister of National Revenue (Mr. Basford) concentrated on embarrassing a few of my newer colleagues. He was challenged by members in Vancouver to comment on this strike when it became apparent. Certainly we said that parliament should be recalled after the government intervened and told grain companies that parliament would settle the strike.

It was quite obvious to any thinking person in Canada that there would be no settlement of this strike until parliament intervened. Why should the grain companies in Vancouver take the responsibility for this settlement and its consequences? The minister said that the bargaining process had broken down so the government had to intervene. I suggest the bargaining process broke down because of the suggested intervention by parliament.

The minister also said, and I hope I misunderstood or am misinterpreting him, that this bill is similar to bills dealing with other disputes in the past. This bill is not the same, because last year when we settled the railway workers' strike we left a position for bargaining in the provisions of the bill. We established a floor position from which to bargain. This bill does not provide any such thing but rather imposes a settlement, and appoints a referee to see that it is implemented.

The minister said that in 1973, because of a minority position, we had to establish a position from which to bargain, but that this is not necessary today. That statement worries me no end. I wonder if we are now all alone like a voice in the wilderness, with the government assuming its power of the July 8 mandate. I hope that is not the case.

A former leader of the NDP, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), said he felt it his responsibility to intervene on behalf of the prairie farmers. Everyone knows that the prairie farmers are against this settlement since it is they who will have to pay the bill. I suggest he is not intervening on behalf of the farmers but is intervening on behalf of a principle we will all have to live with, not just in respect of the grain industry but in respect of any other labour settlement in which we become involved in the future.

My comments will be of a general nature as I have no intention to attempt to take sides in this dispute between

the grain companies and the union. I would be reluctant to intervene at all were it not for the fact that there are three parties to this unfortunate situation, the third party being the government.

It is the government that cites this bill as something to settle all the problems relating to grain handling on the west coast, totally ignoring the fact that there are grain handling facilities in Victoria and in Prince Rupert. The difference between the grain handling facilities in Vancouver and those in Prince Rupert is that those in Prince Rupert are owned and operated by the federal government.

This government wants to impose this settlement on the grain handling companies in Vancouver, and this is the government that neglected shipping potential of 30 millions bushels this summer out of the port of Prince Rupert. We have a new member in the House from Prince Rupert representing the fine constituency of Skeena. I note that she is in the House. Knowing that she is very concerned about this serious problem I hope she will listen to what I have to say.

In June 1974, the elevators in Prince Rupert were plugged. There were 300 rail cars destined for Prince Rupert that could not be unloaded because there were no ships. All the ships were in Vancouver Harbour incurring $5,000 to $7,000 per day in demurrage.

Some 2,000 cars were processed in April and May of 1973 through the port of Prince Rupert. In September of the same year there was no movement in that port. This resulted in the layoff of all the trained people who normally handled grain. In December we decided that Prince Rupert port should play an important part in the movement of grain in western Canada, and two ships were put on to handle grain out of Prince Rupert. A large training program was launched, involving a number of people who, incidentally, are federal employees and for that reason are likely classified as second-class citizens. At least no one talks about them. The whole program was scrapped and these people were laid off in January, presumably because we did not want to get into competition with private enterprise in Vancouver. I do not know what the reason was, but that was the situation.

The responsible minister is not in the House and I am sure the Minister of Labour (Mr. Munro) is not aware of the potential role people might play in other areas on the west coast. I hope the new hon. member for Skeena (Mrs. Campagnola) will study the situation, and use her influence and charm to persuade some of her colleagues in the front benches that the port of Prince Rupert can play a much greater role in the future, with the result that some of these problems might be avoided.

● (1650)

I wish to make some comments about Canada's labour situation in general and the involvement of government in labour problems. Normally I divide Canada's labour force into three categories. The first is what I call an elite group. The number in this group is quite small. I would estimate it represents about 15 per cent of Canada's labour force. It does not necessarily involve the highest wages and fringe benefits in Canada, nor do members of this group pride themselves on having the best working conditions. On the contrary.

Even though these people compose the elite group, they are often at the bottom of the scale in respect of all categories. I call this the elite group because the services of these people are indispensable not only to the employers but also to our country. These are the people who perform essential public services in Canada. They are key people. By virtue of their trades they enjoy prestige. Their disputes, relations, pensions and conditions of work can be and often are settled by Parliament.

Now, one would assume that that category should be far ahead of all others having this access to the highest tribunal in the country. The reason this is not so, however, must be attributed to the fact that our government really has not been able adequately to solve any problem in which it interfered in recent times. I do not have the time to comment at length on some of the settlements in which we have been involved in recent times.

The second group consists of about 25 per cent of Canada's labour force. These people, like their colleagues from the elite group, are organized by a variety of unions through which they compete for and have achieved the country's highest wages, fringe benefits, and most advantageous working conditions. They are mainly employed by the private sector of industry. The reason for the prosperity of this group is twofold. First, these people enjoy a status called "citizens plus", which means that while they have all the protection of Parliament through the Canada Labour Act, they are responsible to no one, and Parliament will not rule them back to work.

Second, they are bargaining with a sector of our corporate system which, by virtue of conglomerate, and monopolistic business practices can of course afford better than any other sector of our business community to respond positively to the demands placed upon them by their work force.

The third group is comprised of 60 per cent of our work force. It does not enjoy the benefit nor the protection of Parliament or union and its members' standard of living reflects the horrible situation in which these people find themselves. Sure, Mr. Speaker, we have introduced a minimum wage act. But, even with that protection, in most cases they earn less than the poor who are already on the welfare rolls. Most provinces have also passed legislation designed to protect all of our work force, such as workmen's compensation, statutory holidays and so on.

However, Mr. Speaker, when it really comes down to bare facts, we know that there are only a privileged few who divide among themselves the country's prosperity. The situation in which we end up is such that one third of our work force enjoys two thirds of the benefits and income. Why this is so is not hard to understand. Unions, often controlled from outside our country, have become more conscious of building large and monstrous pension funds and competing with the large corporations for efficiency in operation. No attempt is made to enlarge their membership to include all of Canada's work force in their mandate.

Unions have, in fact, admitted that they are reluctant to extend their activities into so-called unproductive areas,

or areas where the economy is unable to absorb or fill demands placed on it by the unions. Meanwhile there is really no question that Parliament and legislators have submitted to pressures from these unions, and have established them with powers over their membership which are in serious conflict with the Canadian Bill of Rights, and which restrict the freedom of the individual.

The most obvious example of that is, of course, the fact that we are making it a condition of employment in unionized industries to show proof of membership in a union. Thus, if a man falls out with his union, he does not work. This is particularly unrealistic since governments have ruled out competition among various unions through certification. A perfect example of that, of course, is the Public Service Alliance, and the problem we had with the firefighters last year who were not in difficulty with their employer since the employer wanted to resolve the difficulty, but whose real legal strike was with the union with which they were in conflict and not the employer.

Once a union has achieved certification in any one business or industry, it rules supremely over its membership. For that reason, it is more often the rule than the exception that decisions taken by the unions do not reflect the wishes of the membership at large. Even if we disregard this obvious discrepancy in our democratic process, it still remains a fact that our economy does not have sufficient resources to equalize the opportunity, or even to narrow the gap between the organized and the unorganized worker.

The double standard which therefore exists for Canadians has established two categories of poor as well, namely, the working poor and the unemployed poor. To compound the situation, we only measure the workmans' life standard by his disposable income. I suppose we accept that if a person's disposable income is already below the poverty line he also cannot be expected to place any demands on fringe benefits such as working conditions, holidays and overtime pay. The fact is that unless any one of the unorganized two-thirds majority can rely on the charity of his employer, he is a second class citizen.

The employer of this segment of our labour force is the small businessman or secondary industry, whose contribution to our prosperity is never recognized. The irony is that the corporate sector of our system, backed by conglomerate and monopolistic positions, is setting a pace and a standard which are impossible to achieve by the business community which still subscribes and subjects itself to the rules of free enterprise and individual freedom and initiative. The irony also is that the corporate sector has joined forces with unions, thus protecting its own interests as well.

I am beginning to question whether it is not high time for us to follow the lead of other industrialized countries, with a lot less problems in this area, in insisting that our country's opportunities and achievements are adequately distributed. Is it not time, Mr. Speaker, to insist that at least the fringe benefits for a day's work in our country are the same, regardless of the field of endeavour in which a working person might be, and of whether he or she is protected by the political muscle of an union? There is, of course, and there always will be the need for labour unions, but let them collectively bargain with the government for a greater share of the country's wealth not just for their own members but for all Canadians.

It has never been fair to say that excessive labour demands are solely responsible for the high rate of inflation in Canada but if we establish a precedent, as we seem about to be doing in the grain handlers' dispute in Vancouver, whereby legislation might impose a settlement on this very vital sector of our community which is even in excess of union demands, we are setting a very dangerous precedent, particularly at a time when the prime producers of grain and other agricultural commodities should concentrate their efforts and resources on expansion and improved efficiency of their operations.

● (1700)

Mr. Speaker, the companies involved in the dispute have never refused to bargain, but they have refused to negotiate under conditions imposed by the Minister of Labour (Mr. Munro) and the Minister of Justice (Mr. Lang). They have taken a position against the dictatorial attitude of the government, for which I cannot blame them. The minister, after all, has openly blackmailed the companies. He said, "You settle, or parliament will legislate your settlement". The Prime Minister (Mr. Trudeau) confirmed later in a telegram to the companies that the two ministers indeed spoke for the government. I have a copy of the telegram, Mr. Speaker, and this is what the Prime Minister said:

> When Mr. Munro and Mr. Lang advised that the Perry recommendations would be legislated if no settlement was reached prior to reassembly of parliament, I can assure you they were speaking for the government.

These are indeed strange circumstances for the process of collective bargaining, Mr. Speaker. In my opinion, this does not create a climate for responsible and intelligent industrial relations proceedings. The companies will make the government carry out its threat and the government will of course have no alternative to living up to its commitment to the union, using their comfortable majority position in the House of Commons to impose a settlement. There will not be, of course, any defiance of the law as a result of this settlement once it is passed. This is normally the case when parliament or a legislature imposes settlement on a union. But, Mr. Speaker, I for one place responsibility for the consequences, not only of this settlement but the impact it will have on future negotiations, squarely on the shoulders of this government.

Let us leave to the unions only the bargaining for wages and salaries which must obviously differ in various professions and trades. But, as in the case of countries where the industrial relations process has advanced with the times, it should be the union's prime concern to assure for its members a greater degree of job security and to demand from its membership a much higher level of professional conduct and work ethics, as well as a more responsible attitude toward the economic welfare of the country as a whole.

The Acting Speaker (Mr. Penner): Order, please. I regret to interrupt the hon. member but the time allotted to him in this debate has now expired.

I interrupt these proceedings to inform the House that whereas the balloting in respect of private members' busi-

ness will be held today, no business under that heading can be taken up at this hour. Accordingly, the House will resume consideration of the bill dealing with grain handling operations. I recognize the hon. member for Red Deer (Mr. Towers).

Mr. Gordon Towers (Red Deer): Mr. Speaker, I would not go so far as to say it is a pleasure to take part in the debate on this legislation, but it seems that we must debate it because of the bumbling of three senior cabinet ministers. Last night the minister in charge of the Canadian Wheat Board (Mr. Lang) pleaded with us in an effort to get himself and other ministers off the hook. I can assure you, Mr. Speaker, that the official opposition has no intention of letting them off the hook. They were bleeding yesterday, and they need to bleed a bit more because of the unforgivable sin they have committed by their actions in this regard. They should not have participated at all. In order to protect their own interests and to get past the election, they used the Canada Labour Code, and yesterday had the audacity to tell us that we must put this legislation through quickly, although the election is three months past. Madam Speaker, this case will be known as the big bungle of 1974 created by the Minister of Labour (Mr. Munro) and the minister in charge of the Canadian Wheat Board, backed by the Prime Minister (Mr. Trudeau).

We are not just dealing with 550 people, but with the economy of the whole country. I am sure every Canadian recognizes that the economic pie is only so large and can only be cut into so many pieces. If any one segment of the economy takes too much of the pie, it is taking something that belongs to others. This is exactly what we are dealing with in this legislation. One segment of the economy is seizing an opportunity that was handed to them on a platter prior to an election. This is very significant and I think it should be pointed out. The Canadian public is entitled to ask if there was a sell-out.

Last night the minister in charge of the Wheat Board, replying to comments of the hon. member for Regina-Lake Centre (Mr. Benjamin), said:

> Let me say that I am happy to note that a few members who said nasty things about me in the previous parliament and who came from Saskatchewan are not here to join their colleague. I was interested to listen to the hon. member for Regina-Lake Centre, because he was speaking in his last term as member of parliament. We have a short list and he is at the top.

Did the government have a list prior to the election, Madam Speaker? Do they expect Canadian grain producers to pay their bill for the support they got in defeating 15 members of the New Democratic Party? Why would the minister make a statement like that if it has no basis in fact? Does this mean that in the next election 15 more NDP members will disappear?

An hon. Member: There are not that many left.

Mr. Knowles (Winnipeg North Centre): I am still here.

Mr. Towers: We recognize that they are waffling. In fact, they are waffling so much that they will not know what to do with all their waffles. If they lose 15 members at the next election, there will be only one left to waffle, or a waffle of one.

Mr. Knowles (Winnipeg North Centre): Tell us how you fared on July 8.

Mr. Paproski: We won all the seats in Alberta.

Mr. Towers: In answer to the hon. member for Winnipeg North Centre (Mr. Knowles), may I say that I increased my majority by 2,000 votes.

Mr. Knowles (Winnipeg North Centre): You did not win any more seats in Alberta.

An hon. Member: What happened to your leader, Stanley?

Mr. Towers: The question we have to ask is, what will this decision do to the economy of Canada? I suppose if any one of us was a member of the union involved, and had the opportunity of taking advantage of the presumptuous comment made by the minister, we would all jump on the bandwagon. Yet, what about the rest of the economy? What about the 1,500 grain handlers on the Great Lakes? Are they to get 61 per cent also?

● (1710)

Perhaps we should clarify the figures. There is some discrepancy as to the percentages used. Some say the grain handlers will get 48 per cent, some say 61 per cent. Why has this discrepancy arisen? The reason is that no one really knows what the consumer price index will be in future, and the 61 per cent is based on a 1 per cent rise in inflation per month. Let me point out that the grain companies are owned 80 per cent by the grain producers of western Canada. I hope the hon. member for Assiniboia (Mr. Goodale) remembers this: he was elected by grain producers and sent here to look after their well-being, not to preserve the big, red Liberal machine.

We have to consider what can happen to the economy. What about the grain inspectors? If they do not work, they could stop grain shipments just as effectively as the grain handlers—and they are getting less. What about elevator operators? The 3,500 elevator operators across the country are getting 40 cents an hour less than the grain handlers, at the present rates. What will the government do with its own employees? I am not merely talking about grain inspectors. For instance, in my constituency it is interesting to consider wages paid by the provincial and federal governments for similar work. Plumbers employed provincially receive $1,262 per month; those employed federally receive $916. The yearly spread is over $4,000.

Provincial electricians are paid $1,263 a month; federal electricians, $964, which comes to a difference of about $4,000 per annum. Provincially employed carpenters receive $1,123; if federally employed, $778. Again, the difference is $4,000. Painters, if employed provincially, are paid $1,018; if employed federally, $722. Trade help is paid $792 provincially, and $573 federally. Labourers are paid $724 by the province, and $509 by the federal government. Some of these people are paid about $6,000 a year, on which the federal government says they must subsist. Grain handlers are not paid $6,000. Today they are paid salaries ranging from $16,000 to $18,000 a year. These are wages that grain producers must pay.

When commenting during the throne speech debate on his intention to reform parliamentary rules and procedures, the Prime Minister said this was necessary to expedite House of Commons business. He also said it is time for Canada to move beyond the kindergarten stage. Surely those comments apply to the situation now facing parliament. Today we are spending time in settling an issue resulting from irresponsible action by two cabinet ministers. They will suffer more when this bill goes to committee because we shall ask them embarrassing questions and they will have to answer for their actions.

In my opinion, before we in this House are urged to amend the rules and enable the government to rush its legislation through following four months of inactivity, top priority should be given to having the ministers concerned act with maturity instead of like kindergarten pupils. I might add that if all cabinet members faced up to their responsibilities and obeyed parliamentary rules, our time would not be wasted.

If this government had not interfered in the negotiations between the grain handlers and the grain companies, if it had not done so through the bumbling, inept actions of the two ministers previously mentioned, negotiations could have continued and I feel sure a settlement would have been reached weeks ago. Immediately those ministers came out in support of the recommendations of the Perry report, further collective bargaining became futile and the dispute ground to a standstill. We are all aware now, if we were not before, what a few words uttered without forethought by irresponsible persons in authority can cost this country, our economy and our relations with our foreign customers for grain. This episode, as it unfolded, resembled a Grimm's fairy tale which is suitable for performance on a stage. Unfortunately, it really happened, with the result that every Canadian has suffered.

Last November, when the collective agreement between the grain handlers and the terminal operators at Vancouver expired, management offered an increase of 80 cents per hour for a one-year agreement. Conciliation efforts failed, and in February the Minister of Labour appointed Dr. Perry as commissioner. On May 24, during the election campaign, the Minister of Labour announced that the government had taken action by order in council, under section 181 of the Canada Labour Code, to make a strike or lock-out illegal until August 8, one month following election day. On May 24 he also said at a Vancouver news conference:

> The government will introduce legislation to approve contract recommendations by conciliator Dr. Perry as a binding collective agreement on the two parties.

On what advice or consideration was such a cowardly step based? I hope hon. members opposite recognize the importance of the situation with which we are dealing. On July 18 the Minister of Labour reaffirmed the government's decision to force settlement terms upon the grain companies. The minister responsible for the Wheat Board urged producers to exert pressure on their own organizations in order that the inflationary conciliation recommendation would be accepted. What right did he have to do that? A telegram sent by the two ministers to the grain companies on August 23 reads in part:

> We have made it quite clear, as has the Prime Minister, that the government will legislate the recommendations of Dr. Perry if necessary.

Of course, that position met resistance. Why? Because the grain companies are owned by the producers and they backed the companies up to the hilt. Ninety per cent of them supported the companies. What else could they do? What else could the companies do, if they were to discharge their responsibility to those they served? Clearly, the three members of the government previously referred to have put the government into an intolerable position. Let me put on record letters which the companies have received from farmers. I quote a letter from Cupar, Saskatchewan:

> Do I, as a grain farmer, also get a 61 per cent increase in the price of my products? In two years time can I negotiate as a body for another 60 per cent increase? . . . I agree that when the cost of living increases 10 per cent, so should everything else—not 60 per cent. I, as a farmer, am finally able to get my head a little above water. If price and wages increase at the same rate, that water is going to get . . . deep again. Keep up the good work.

From Pipestone, Manitoba, came this letter:

> Let the government force the issue, so as to let the people of Canada see more clearly what is happening to inflation and the cause of it. Thanks.

Next is a letter from Brandon, Manitoba:

> The Perry report recommendations are excessive to the extreme. Congratulations on your stand re this issue. The membership of UGG are solidly behind you.

Next comes a letter from Myrtle, Manitoba:

> Request government to take immediate action. If the government is as concerned about western agriculture as they say they are, they will move . . . fast.

Next is a letter from Boissevain, Manitoba:

> If governments continue to allow . . . high increases to unions, private enterprise will have to follow. If they feel food is at a high price now, it will have to increase with the wages. Somebody must take a stand some time.

Next I quote part of a letter sent from Yorkton, Saskatchewan:

> Aside from the reaction of other labour sectors, there could be a repercussion in our own company, particularly among elevator managers.

These employees, as I said previously, are receiving 40 cents an hour less than grain handlers. I want to impress on this House that grain producers, on average, are getting 50 per cent less than this agreement will provide for grain handlers. We are dealing with a very touchy situation. We must recognize that the price of machinery for grain producers increased between 25 and 30 per cent the last year. The cost of repairs increased 30 per cent. Fertilizer went from $106 to $168 a ton, an increase of 59 per cent. Increases of this magnitude are apparent throughout the system. There is no way in which producers can stay in business if they continually have to face this type of inflation from every direction. They will lose their incentive, and if that happens we will be in a very sorry state indeed. We will have done a great disservice to the economy of this country.

● (1720)

Mr. Gordon Ritchie (Dauphin): Madam Speaker, this bill has been debated exhaustively and there are very few things that can still be said. We are debating a settlement

forced upon the grain co-operatives by the government. It is the end of a long period in which the Minister of Labour (Mr. Munro) and the minister in charge of the Wheat Board (Mr. Lang) have bungled the situation. That is what necessitated this action.

There are many matters to be considered. First, when does a conciliation report by a labour relations officer, as opposed to an arbitration report, become absolutely necessary? It should be pointed out that a conciliation report is a basis upon which to negotiate further. The conciliator does not expect all his suggestions to be accepted. There is still room for negotiation. However, the ministers have made it plain that they regard the conciliation report as an arbitration report to be forced on the grain co-operatives.

This piece of legislation will deal with the problem of approximately 550 grain handlers, against the four major grain companies, the Alberta Wheat Pool, the Pacific Elevator Company, the Saskatchewan Wheat Pool, United Grain Growers Limited, and a very small private company, Burrard Terminals. These companies represent 175,000 permit holders. Almost all permit holders in western Canada have a share in one of these co-operatives. They represent one million people who live on the farm. These people have a direct interest in this problem and how much a settlement will cost. It is the farmers who will have to pay the cost of the settlement. It is their grain co-operatives, not private grain companies, who are negotiating on their behalf.

We have heard a great deal about demurrage charges. Some thought these would be paid by the federal treasury. They will come out of the final amount the farmer will receive. The cost of the settlement will lessen the amount of money that will eventually be returned to the producer. Therefore, the million people on the farms have a right to have their companies put forward their case so that the cost of settling will be as low as possible. The settlement should not be exorbitant. It is sometimes forgotten that these grain companies are owned by upward of one million people on the prairies.

Prairie grain growers live in a land-locked area. To the west, he must traverse the Rocky Mountains to the seaport; to the east, the Laurentians and the Great Lakes to reach the port of Montreal and ocean vessels. In all this transportation, the railways and shipping companies have a monopoly. Dozens of groups are involved in the transportation of grain. It is highly vulnerable. There is a widespread effect of stoppage by any one relatively small group of employees. This makes the efficient movement of grain a very hazardous operation. The prairie farmer sells on the world market. What he receives is that price, minus the difference between what the various groups charge for handling and transportation of the grain. With the upcoming problems, this will not be the last grain stoppage. As soon as this settlement is reached, another will take its place.

It is particularly bad that the government decided on a settlement of 60 per cent, considerably in excess of that asked by the union. That makes the whole exercise very disturbing. The action of the Minister of Labour and the minister in charge of the wheat board ruled out any settlement that was not enforced by parliament. The Minister of Labour did not seek the approval of the grain companies and co-operatives in the appointment of Dr. Perry to write a conciliation report. In this way he was inviting trouble. It is not evident that Dr. Perry had any special knowledge of the grain handling business. He looked upon this as a labour problem to be settled. The eventual buyer of the grain would pay for it. Not only did he give more than that asked by the union, but he threw in two or three doubtful settlements that have been written into the legislation.

Dr. Perry recommended a wage increase of $1.52 over two years. I think that was reasonable. I know the grain co-operatives, the Alberta pool, the Saskatchewan pool, the United Grain Growers and the farmers they represent expected and were prepared to pay an increase. The government could well have requested the grain workers to go back to work, and management to again open the terminals at the wage increase of $1.52 an hour. Other aspects of this settlement could have been dealt with at a later date. In fact, the Minister of Labour said he had proposed to the grain co-operatives changes in the cost of living clause and of the pension plan. This, he says, would have considerably reduced the cost. However, he has never made public these changes, and they are disputed by the companies.

I think Dr. Perry's recommendation, that a cost of living clause be built into this plan, is highly dangerous. Surely the recommended $1.52 an hour takes into account the projected cost of living for the next two years. All wage increases, demands and agreements take into account the cost of living increase. In pensions, this is done by indexing. Family allowances, welfare payments and old age pensions are protected by a cost of living index. I think that is good for those who are unable to bargain. However, must there be a cost of living clause in every wage agreement? This implies that there should be a cost of living adjustment for the farmer in the production of his milk or cream, as well as for the automobile manufacturer and others. If we write this cost of living clause into all wage agreements, we will be inviting trouble. It may be all right for those who cannot fend for themselves, but for other parts of the economy it is a very bad practice.

● (1730)

It has been well said that much of the prosperity of the last 25 years has been based on the erosion of savings, but with the value of money being eroded, those responsible for making savings eventually found that they did not receive the value of what they had saved. Also, the importance of private pension plans seems to be declining and their future is extremely doubtful.

I notice that the Minister of National Health and Welfare (Mr. Lalonde) is in his place. He introduced amendments to the Canada Pension Plan which did not pass. I should like to ask him when is he bringing another bill forward, and whether he expects it to contain a clause dealing with the question of religious sects?

I think we are reaching the stage at which the old age pension and the Canada pension are so basic that private pension plans will become redundant. I do not believe they should be encouraged. This, of course, is a debatable proposition and I do not intend to expand on it now. Nevertheless, I think we ought to look charily at new private pension programs. Incidentally, I am informed

that the grain handlers did have a private pension plan some years ago but that they threw it out, for reasons with which I am not familiar. Eventually all private pension plans will need to be dovetailed into the Canada Pension Plan.

This settlement is highly inflationary and it is bound to be followed by further costly settlements throughout the industry. We can expect prolonged stoppages in the movement of grain. It should be realized that the more money it costs to move and transport our grain, the less the farmer eventually receives, and this, in turn, discourages production. Nor is it generally realized how much farm costs have been increasing. A pail of Avidex which only this spring cost $59 is now $83.

During this dispute it has been suggested by many that the Vancouver terminals are poorly managed and inefficiently operated. The union leader, to his credit, has spoken convincingly about his intense desire to improve productivity and management at the Vancouver terminal. He wishes to see this done, in his own words, "far beyond previous levels in the interest of the western grain farmer". What are the facts?

In May, June and July of last year unloadings at Vancouver averaged 609 cars a day. The corresponding figure for this year is 393 cars a day with a plentiful supply of cars on hand. What happened to the desire to unload cars rapidly? No matter how much renovation is carried out, if the workers are unwilling to work, or if management is unwilling to manage, one cannot expect much efficiency. How does reduction of productivity by more than one-third of demonstrated ability tie in with Mr. Kancs' dedication to attaining high standards of efficiency?

Dr. Perry, the Minister of Labour, and the Prime Minister (Mr. Trudeau) among others, have stressed the need for parity of income with that of longshoremen performing similar tasks to members of local 333 on the same waterfront. This is put forward as justification for the costly settlement recommended. However, as has been pointed out in this debate, the argument loses impact in the light of the offer made by the negotiating committee of the Treasury Board to Vancouver grain inspectors working for the Canadian Grain Commission.

The inspectors found the offer of a 6 per cent wage increase over 18 months, with a further 5½ per cent over the following 12 months, entirely unacceptable, and in a letter to the Prime Minister they drew attention to his statement that parity ought to exist between the pay of grain handlers and longshoremen.

Under the Perry report, Vancouver grain handlers would get a basic rate of $6.44. The basic rate for grain inspectors is only $4.33. I would point out, Mr. Speaker, that inspector status is achieved only after years of study and the passing of rigorous examinations. After all, the inspectors are the men upon whose judgment the reputation of the Canadian grain grading system depends. It is in on their authority that the export certificate is issued. In these circumstances we must accept it as a fact that the grain inspectors are almost certain to go off the job once this strike is settled.

Moreover, I believe we must get the relationship between grain handlers and longshore workers into a more reasonable perspective. A grain handler, at least if he belongs to what I understand is called the first shift, is assured of steady work. A longshoreman may go to his union hiring hall in the morning, but he is not sure of finding work that day. So the longshoreman is paid on the basis that on many days of the year there will be no work available for him. To compare longshoremen with grain handlers is like comparing longshoremen with miners or Members of Parliament.

It has been suggested that this dispute should be settled at any cost without much discussion. This view is put forward partly on the ground that Canada's reputation as a reliably consistent supplier is being damaged. I understand that at one time Japan used to buy all her wheat from Canada, but after supplies had been interrupted due to a strike by longshoremen at Vancouver, orders from then on had to be shared with the United States and Australia. Thus, to say the present stoppage is particularly damaging does not sound to me like a really good argument.

Last year we had a six weeks railway strike. Last winter the prairies experienced the most severe snowfall that most of us can remember. Many of the rail lines were closed. Yet if hon. members look at the statistics they will find that despite these adversities we got out all the grain we had to sell—there was very little left over. The world, of course, is very short of grain, perhaps for the first time in 25 years. News that the United States has cancelled a contract to sell wheat to Russia underlines this state of affairs. So it is likely there will be a good market for Canadian grain this year even though surpluses may arise in the years to come.

● (1740)

The storage of substantial quantities of Canadian grain abroad should be examined. This would help to supply our customers when our own transportation system is not functioning. Another possibility would be the movement of grain into the U.S. mid-west in modest amounts, and no doubt the American railways would be happy to transport grain, our grain, to the markets of the world. If western Canadian farmers are left at the mercy of stoppages of many different kinds, it is wise to have as many options open to us as possible.

We live in a free country and most of us want to keep it that way. The strike weapon is a legitimate means for a worker to use to ensure he gets a reasonable wage. I must say that, in my opinion, the government's handling of this whole case has not improved the possibility of good relations between unions, the farmers on the prairies, the people who own the co-operatives and the grain handling companies.

I hope that in the committee the minister will be able to tell us what offer he made to the grain companies which would lessen the cost of this settlement, and what specific cost to the companies he has worked out. There are many unanswered questions in this whole sorry affair, and perhaps our committee system will prove of value in ferreting them out.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, it is a pleasure for me to take the opportunity to

rise in the House, though I regret I am rising in a debate of this nature rather than on the throne speech debate, as was my first intention.

It had been thought by some people that if the government felt there was urgency to this matter it would have had a certain presence about it and brought in a settlement, or the means of arriving at a settlement, at the time it dictated the solution. However, the government has procrastinated and delayed and we now find it interrupting the throne speech debate. Once again we find parliament has been pulled into the unfortunate situation of settling a strike of great importance to this country through legislation.

The present strike is of grave importance, and it is detrimental to Canada for three reasons. One reason is that the strike affects our international relations. We cannot keep faith with countries that made commitments with us. We cannot perform in accordance with our international contracts. We cannot deliver what we have promised. Quite frankly, this is bad for Canada. It gives Canada a bad reputation in the international community, and I suggest could even jeopardize future contracts.

Secondly, this strike has disrupted, and threatens to do future damage to the grain economy upon which so much of the economy of western Canada is dependent. It has affected not only our shipments but has caused a backlog of grain deliveries, with last year's grain being held in elevators instead of being shipped to ports, leaving no room to store this year's grain in the elevators. This in turn will put the farmers and the people of western Canada to extra expense in arranging for storage upon their own lands until some room can be found at the elevators.

Thirdly, it is an unfortunate and detrimental strike because demurrage charges for ships waiting in western ports are costing farmers and others a large amount of money. Farmers are being forced to spend money on storing wheat instead of injecting it into the economy. This means that a much wider group of Canadians than simply those who are the employees of the elevator operators or grain handling companies are hurt. They are playing with dollars that they do not rightfully own. It is not their money.

For these three reasons, and for others that have been amply discussed in the debate today, this strike has hurt us and hurt our economy. Our grain industry and grain exports are both essential to Canada's economy, especially in the western provinces.

The people of my constituency, Madam Speaker, and I believe the people of Canada as a whole, are sick and tired of strikes in important essential services.

Some hon. Members: Hear, hear!

Mr. Dick: The general public are tired of being used as a pawn. Strikes in essential services should be outlawed. Perhaps we should be moving in the direction of Australia and other countries and have compulsory arbitration.

Mr. Lalonde: Is that your position?

Mr. Dick: I am speaking for myself and as the representative for Lanark-Renfrew-Carleton. The Minister of National Health and Welfare (Mr. Lalonde) happens to be in the House at the present time, and it is nice to see him here although the Prime Minister (Mr. Trudeau) was crying the other day that ministers did not even have time to attend the question period. However, I see him chuckling and I guess he now has nothing else to do.

It seems to me that every year or so workers in one of our public utilities or essential services go on strike. In most cases these public utilities or essential services are monopolies, and there is a very limited choice of alternative service from a like source. These public utilities or essential services include such operations as Bell Canada, Ontario Hydro in this part of Canada, Air Canada, our post offices, ocean port facilities, grain handling facilities, our railways and suchlike.

Each time a strike or lockout takes place and one of these essential services closes, or its function is impaired, we, the public, suffer. To be sure, the companies and workers who are out of work suffer, but they have brought it upon themselves and that is their business. It becomes our business when we, the general public, are affected by the shutdown and become the pawns in a labour-management dispute. Each time one of our essential services closes down or its operation is impaired, thousands of innocent people, not involved in the dispute but working in related and dependent industries, are also put out of work. In many cases businesses suffer to the extent that they may be permanently closed down.

When the post office workers were on strike illegally last year, Dunn and Bradstreet reported numerous businesses were forced to close permanently because of a lack of cash flow. When our port facilities are shut down, our railwaymen go on strike, or our grain handlers go on strike, the whole economy suffers and the innocent public have to shoulder the burden of the comparatively few who have closed down the essential service in question. This should not be so. The political parties of this country ought to move to protect the public from the direct effects of strikes in essential services.

The party to which I belong, the Progressive Conservative party, has for some time now advocated a two-fold policy in this field. Firstly, in essential services under federal jurisdiction we would encourage collective bargaining throughout the term of a contract, not just at the end. But we would clearly indicate that we would withdraw the right to strike, and that binding arbitration would be the final step in resolving differences.

Secondly, the Progressive Conservative Party has endorsed the recommendations presented to the government in December, 1968, contained in the Woods Commission Report for the establishment of a public interest disputes commission. Such a public interest disputes commission would define which services are essential and would set up a procedure for binding arbitration.

● (1750)

Our country and our economy cannot afford national disruptions of our essential services which stop functioning because of a selfish view, all of which penalizes the public at large.

Unfortunately parliament today is again being used as a court of final resort. We are put in the position of the final

arbiter, and this should not be the case. In this way we are derogating the responsibilities of parliament which should be to pass impartially laws for all Canadians to follow.

When parliament is drawn into a dispute involving strikes it ends up taking sides. By becoming involved, parliament encourages other parties not to negotiate in good faith. We may be encouraging other parties who are at this time at the bargaining table to break off negotiations, to protract negotiations, or to cause such a disruption that their case will finally be forced before parliament. If this were to become the norm, parliament could ultimately end up carrying on labour negotiations for the whole session.

Another unfortunate aspect of these matters coming before parliament is that politicians usually give in to politically expedient decisions. Frequently, if not always, when parliament becomes involved a settlement is inflationary. The best example of this, and the one which has been frequently cited as the cornerstone from which our economic difficulties have stemmed, especially in management-union relations, is the dispute and strike of the Montreal port workers in 1966, when a settlement was reached by the government of Mr. Pearson. The government was then under the gun because unless there was a settlement Expo '67 could not take place. Since that time we have not had evidence of negotiations taking place honestly in good faith. We have not had evidence that the demand for intervention has lessened, but we have seen a general trend toward inflationary settlements.

Today we are talking about a settlement referred to as being in the nature of 48 per cent to 61 per cent. The government brought on this unfortunate situation by its intervention. It did not let the bargaining process complete its normal course, and it did not use the legislation it had on hand under the labour code. Perhaps through coercion it would have persuaded the parties to get together, but instead it blandly came out and endorsed the Perry report.

As a result there was no need to negotiate further. The unions already felt they had what they wanted. What sense was there for the pools to negotiate? The case had already been settled. In effect the government had settled this strike, but it forgot one main ingredient. It forgot in August to bring forward a means of implementing the settlement it had dictated.

Why did the government waste time once it had confirmed the Perry report? Why did it wait an additional six weeks before bringing this matter before the House of Commons? The government had already indicated its intention to place the matter before parliament for legislative action. I suggest it should have called the House together immediately rather than creating additional problems in our economy by this delay.

Experience has shown that the government procrastinated last year during the railway strike, causing untold hardship to the economy in the very same way.

We should stop using parliament as a tool in labour-management disputes. We must put the interest of the public at large ahead of the narrow interests of two parties to a dispute. We must act to protect the public at large rather than one side or the other to a labour dispute. We must stop legislating the settlement of inflationary and politically expedient demands.

This parliament and its politicians should follow the advice given to the government in 1968 by implementing the recommendations of the Woods Commission. Unfortunately the government has failed to give leadership in any long-term sense, and has followed again the politically expedient course. It has added to inflationary expectations, and for that reason it would be impossible for me to support the inept handling of the situation suggested in the bill introduced by the government.

The Acting Speaker (Mrs. Morin): It being six o'clock. I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, while I hope to make a contribution at another time in another debate, since we have interrupted the debate on the Speech from the Throne I shall not take the time of the House, which is rather limited, to extend congratulatory messages to you and other hon. gentlemen who have already participated in that debate, because I want to keep basically to the issue, Bill C-12, designed to put the grain handlers in Vancouver back to work.

Without any ado, I wish to tell you, Mr. Speaker, and my colleagues in this House that this is a sad night in Canada when we begin to legislate Bill C-12 which, for the first time in Canadian parliamentary history, asks the parliament of Canada to decide to dot the i's and cross the t's in a labour contract.

This is a precedent which will come back to haunt this chamber, be it in the thirtieth parliament or in ensuing parliaments, because it is a wrong precedent. In the past we had proper precedents and necessary actions in a legislative way to get essential industries back to work. We convened parliament and parliament went to work without going into the issues under dispute between labour and management. What was done, and done reluctantly initially, was in a broad general way to appoint an arbitrator. Then the legislation in effect said that the people concerned should go back to work and that the arbitrator would rule on the issues in a just way, and adjudicate on merit, with fair play to both sides.

But here we have a government that was given a mandate on July 8. With all the momentum its majority mandate gives it, what does this government do? It makes Rip Van Winkle look like a piker with its dozing and snoozing.

Here we have the benevolent House leader, the hon. President of the Privy Council (Mr. Sharp), straight from the world of diplomacy. He comes to the floor of the House to help iron out some of the difficulties here. Mr. Speaker, if this is any indication of how this parliament will look as we continue our deliberations in the ensuing months, then all the minister's diplomatic prowess will be challenged because although we in this party intend to co-operate in

respect of legislation, we will not be used as a rubber stamp to make respectable something which is not respectable simply because this government slumbered for three months following the election.

I left my little home in the valley in Nova Scotia at 6.30 this morning and boarded a plane. I do not see the Minister of Transport (Mr. Marchand) here so I cannot congratulate him for Air Canada running on time. Finally I got here to this beautiful city. While the sun was lighting up the St. Lawrence and the beautiful country in that area I thought of several things. I thought with almost sadness: good gracious, why am I coming back to the city of Ottawa to become involved in an issue involving the west coast which has been considered by Dr. Perry and other people for months, people who understand the situation very well?

Is it not a sad commentary that the first item of legislation with which the government deals should be this blasphemous piece of legislation which parliament for the first time decides in its omnipotent wisdom to write into a contract?

I see my friend, a former minister, who used to practice a little labour law in the province of Manitoba, present in the House. I also see an authority on parliamentary procedure in this House who, even though he is along in chronological years, is young in heart and never abused the rules. He and his colleagues stand up in this House today and try to pick at Her Majesty's Loyal Opposition for opposing this bill. An hon. member I respect, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), said that because Dr. Perry thought the union should get most things, they will agree with the bill.

Some hon. Members: Oh, oh!

Mr. Nowlan: Not "oh, oh". If you want to say something, get up off your derrière. If the Minister of Energy, Mines and Resources (Mr. Macdonald) wishes to use some of his forensic talents, let him stand in his place.

Mr. Macdonald (Rosedale): I was just congratulating the hon. gentleman on his bilingualism.

Mr. Nowlan: We should stay with the issue and not follow the red herrings because, if we do so, some of the bones will prick and hurt. Think of the hypocrisy of the NDP in saying that because Dr. Perry gave this and this and this to the union, then this will be legislation in the public interest. I can hear those gentlemen deny the echoes of their former leader who upheld his own philosophical conviction on the rights of all groups if Dr. Perry had said that the elevator companies, and the pool companies, should get this and this and this. In that case the conduct of these gentlemen would be very unparliamentary.

● (2010)

I say this bill is not a blessing, Mr. Speaker, because of the precedent it sets. If this parliament is to write the detail of a contract it will be the first time for that to occur.

The things that give me more cause for concern are the contracts that have yet to go to collective bargaining and those that are already in the collective bargaining process. Because of the precedent we are setting it is very likely they will end up on the floor of this chamber. I think that the new members of this House, who come here thinking they will be going to the core of issues before the country, helping to look after the economy, and who find themselves concerned with this bill as their piece of legislative business, will be disappointed.

Among the labour contracts coming up for renegotiation are those with the Cape Breton Development Corporation, Norando Mines Ltd., United Aircraft of Canada Ltd., Air Canada, the Maritime Employers' Association and the railways. Some, if not all of these are to be renegotiated by December 31.

I say to you, Mr. Speaker, and to my hon. friends opposite that it is ridiculous for us to be setting this precedent tonight and having this bill as the first item of business in the thirtieth parliament. This government was given a majority by the Canadian people, and we have to accept that. That is the way the ball game is played and my leader will play fair. I will match him against any leader in this House. However, having set this precedent I predict that we will be known as "the parliament in labour" and no abortion bill is going to help this parliament. We are going to become befuddled, confused and over involved in the details of labour disputes that affect the national interest.

I am glad to see the Minister of Justice (Mr. Lang) here tonight, Mr. Speaker. I think it was the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) who dubbed him and the Minister of Labour (Mr. Munro) the Bobsey Twins, the Stardust Twins or something like that. There is no doubt that the intervention of the Minister of Labour is a serious matter, and we saw the power play of the minister when he told unions and management that they had better negotiate on the basis of the Perry report or parliament would be called back to pass legislation.

An hon. Member: They said that before the election.

Mr. Nowlan: Because of the election nothing happened, and here we are tonight debating this legislation. I suggest, Mr. Speaker, that because of the unsatisfactory labour situation in this country, because of the galloping inflation in this country and because of the inactivity of this government, we are going to find ourselves involved in more labour disputes in this thirtieth parliament than in all of the parliamentary history of Canada. I say again we are going to be called "the parliament in labour," and the people of Canada are going to be disgusted with us.

Before the last election this party proposed a mechanism for resolving disputes affecting the public interest on an ongoing basis instead of this stop-start confrontation.

An hon. Member: Let us hear it.

Mr. Nowlan: I do not know who that was, Mr. Speaker, but I think he was a new member because he did not have the timbre of voice of the practised heckler.

We were to have the Public Interest Disputes Commission, which is supposed to follow serious issues affecting labour-management relations in areas of public interest, on an ongoing basis. It would lance the boil that so often

rises in labour management disputes and sincere men, honestly differing, could have drawn the fester. I am not casting blame on the Vancouver grain handlers or on the elevator operators, Mr. Speaker.

The Perry report is not clear and it needs to be interpreted. Ad hoc, stop-start resolutions of disputes in the public service are just an insult to the parties involved, and indeed to all Canadians. I gather that the Minister of Labour is now expressing interest in a public disputes commission. Apparently he is going to call labour and management and other interested parties together to discuss the merits of collective bargaining procedures in an impasse.

The Liberal Party has been in power since 1963, Mr. Speaker,—and we still have the Minister of Labour, the Postmaster General (Mr. Mackasey) and the other ministers who have been reshuffled. I point out to them that there are two basic tenets that must be part of any public interest disputes commission or any resolution of a contract. One is productivity and the other is participation.

I have full sympathy for all working men. We lag far behind other jurisdictions where the working man participates in the boardrooms and in management decisions. If students can picket universities and get a spokesman on the senate of universities, why cannot men, who have to earn their bread and butter through their work, have a voice in the boardrooms from time to time?

I think my friends opposite have said that we are the party of the establishment, but just look at the front benches over there, Mr. Speaker. They have either transplanted deputy ministers or some rogues from the St. James Street or Bay Street interests. The President of the Privy Council (Mr. Sharp) can smile that smile that charmed the Arabs and the Jews. It did not produce any oil, however. He was deputy minister of finance and also of trade and commerce, and he dealt poker hands with the hoi polloi and nabods. That is why there is no concern for the working man.

The Postmaster General can scribble notes and give one of his speeches but it does not matter.

I say seriously, Mr. Speaker, that in labour-management discussions you have to have some type of measurement of productivity, and you also have to allow the working man some participation in management decisions. I go even further and say allow him some participation in the profits.

We have talked about the west coast but there is also a serious problem on the east coast. What has escaped the attention of this House and the country is that Thunder Bay and the Lakehead were closed by a strike on August 8. All movement of grain eastward from Thunder Bay was stopped until a few days ago when a new contract granting 65 per cent to 75 per cent over two years was signed with the Merchant Service Guild.

Where is the direction and leadership from this government to show whether labour contracts become inflationary or not? I suggest that if we set a precedent and agree to a settlement of between 65 and 75 per cent in an essential industry we will make the St. Lawrence Seaway settlement of 1966 look both like a pygmy and a piker compared with the wage scale being approved under this contract. If we approve of inflationary settlements like this, what does it mean? The Speech from the Throne is meaningless if this type of contract is passed without comment. We hear talk about an excess profits tax. We should also talk about an excess wage settlement tax, which should be imposed on wage increases not linked to productivity increases.

● (2020)

On the east coast, because of the strike at the Lakehead, we have only about 20,000 or 30,000 bushels of grain. If during this winter the railways are beset by labour or weather problems, what will happen to our supplies in Atlantic Canada? The Grain Council in Atlantic Canada says we need 250,000 tons of grain, so that we will not have to kill our hens, our cattle and hogs because we cannot feed them. Unless we get grain our situation will be desperate.

That brings me to another point. We have fantastic elevator space in Atlantic Canada, yet speaker after speaker has said that we, in Atlantic Canada, need additional elevator capacity. Actually talks are going on right now about closing down our existing elevators, which have been used only to about 30 per cent of their capacity. What is wrong with the grain distribution system in Canada? We in the east need grain for domestic consumption and export, yet grain elevators we built have operated only at about 30 per cent of capacity during the last few years.

Some hon. Members: Oh, oh!

Mr. Nowlan: My friends opposite can smile and smirk and beat their desks, but they remind me of seals which you can see in Stanley Park zoo. You know, all this reminds me of a book written by Dr. George Grant entitled, "Lament for a Nation". It is sad, Mr. Speaker. Here we are, in the thirtieth parliament of Canada, and the first piece of legislation we are asked to pass is an ad hoc measure to plug a hole because something has broken down on the west coast. All sorts of things will break down on the east and west coasts before the end of this year, and parliament will be debating labour problems until they come out of our ears. Unless and until we see some leadership from the treasury benches opposite, the pathetic prophecy of George Grant, made years ago, will be realized. That is why some people are getting pretty disgusted with this institution.

An hon. Member: How relevant is this?

Mr. Nowlan: My friends to the left are wondering about the relevance of parliament. Let me say that parliament will not be considered with respect if we say the things that need to be said using parliamentary niceties which lose their punch, when the government does not deal with problems which it must see looming on the horizon and reacts in this ad hoc way.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, although I was reluctant to participate in the debate, the remarks of my old friend from Vancouver, now the hon. member for Annapolis Valley (Mr. Nowlan), convinced me to participate. If there is one thing all of us in my party

wish to do, it is to expedite passage of this bill, passage which is being delayed by the parliamentary manoeuvering of the party to my right.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. The hon. member, for whom I have the greatest respect and admiration, ought to amend his last statement. He should recall that his party refused the offer which I made on behalf of my party, to sit all through Monday night and pass this bill.

Mr. Leggatt: Mr. Speaker, if I may deal with the point of order, I tell my learned and respected colleague that we are willing to continue with this bill and pass it through all stages in 24 hours. There is no way that we are going to delay passage of this bill.

If I may return to the point I made concerning my old friend, Pat Nowlan, from Annapolis Valley—

Some hon. Members: Order, order!

Mr. Leggatt: As he is from Vancouver, I would have thought he would have retained some west coast sanity. Obviously having moved to the Maritimes, he has failed to perceive the problems of the west coast. He is hemmed into his valley and does not see things in their national perspective.

Speaking of hypocrisy, let me say this: if you examine the record over the last 10 years of conciliation reports you find that the Conservative party has never supported a conciliation report except when it favoured the employer. The Liberal party has done exactly the same thing. Let me remind you of the rail strike, and of how long it took to recall parliament once the conciliation report was handed down. That report favoured the rail companies, and the Conservative and Liberal parties joined hands in supporting that particular conciliation report.

An hon. Member: That is not true.

Mr. Nowlan: Mr. Speaker, will the hon. member permit a question? I know the hon. member for New Westminster (Mr. Leggatt). He and I used to exchange remarks years ago when we served on school boards in British Columbia. Since my honourable friend brought the subject up, can he say when in the last 10 years parliament has enshrined in legislation provisions contained in a conciliation report?

Mr. Leggatt: Mr. Speaker, the bill which was passed in the case of the rail strike contained provisions almost indentical to those contained in the report. That report had been rejected by the unions. If you look at the history of labour relations in this country, you find that parliament has been called into session immediately a rail strike occurs, and the legislation passed is legislation embodying suggestions which have previously been rejected by the trade unions. In the case I am talking about, a little over half of the unions' demands were dealt with by the report. Parliament was recalled within six weeks of the strike, as I recall.

Why are we dealing with this legislation now? Every day we spend debating this bill is costing the workers on the coast and farmers on the prairies thousands of dollars. I submit that this is a futile exercise. We should end this debate as soon as possible.

I took exception to some remarks made yesterday by the minister in charge of the Wheat Board (Mr. Lang) regarding this party and the hon. member for Regina-Lake Centre (Mr. Benjamin) who comes from Saskatchewan. The minister said that that hon. member is on top of his list for elimination. Yes, the old arrogance is back. The minister's attitude can best be described this way, "Today Saskatchewan; tomorrow the world". The power has gone to the minister's head. But the political world is very unsafe and I would not count chickens in Saskatchewan until all the eggs hatch.

● (2030)

There is an old axiom of trade unionism—no contract, no work. These grain handlers on the coast have been without a contract since November 30, 1973. They have really bent over backwards to accomodate this country in terms of service. To agree to what obviously is a settlement that is not acceptable to either party does no service to farmers on the prairies or workers on the coast. I must say that the directors of those elevator companies and co-ops have done no service to their farmers on the prairies by misrepresenting the facts in this case.

I refer particularly to United Grain Growers Limited which sent out wonderful material showing that the farmers overwhelmingly supported the position of United Grain Growers. If you examine that particular piece of guff, and that is the best description I can give it, it does not say anything about demurrage charges. It does not compare the cost of demurrage with the cost of settlement. The farmers were not given the full story. Those who work with their hands on the farm should have been invited to participate directly in those negotiations.

The negotiations have been poisoned for a very long time. A good example of that poison in the whole atmosphere was the decision of the grain firms to stop benefit payments following that strike. That is an almost unheard of act. It is an act of cruelty and vindictiveness. There is just no way you can expect a settlement in that atmosphere.

I do not agree with those who suggest that the decision by the Minister of Labour (Mr. Munro) to say that the Perry report was supported by the government exacerbated this situation. There is no doubt that the grain workers were going to drop their tools and leave their employment at that time. That did not contribute to the problem.

The problem is that the Minister of Labour did not ask that parliament be called into session. I can understand why. The Prime Minister (Mr. Trudeau) had a very trying election campaign. There is no doubt that he was tired and had to take it easy for about six weeks. We know what a great job he did in that campaign.

Some hon. Members: Hear, hear!

Mr. Leggatt: However, the Prime Minister should have thought about the interests of the country. There is no doubt about the excuse given by the Minister of Labour for not calling parliament. He said that to have recalled parliament for a special emergency session to deal with

the dispute would have turned the House of Commons into a scapegoat. Surely the minister is still not saying tonight that we are a scapegoat. That is the argument he used for not calling parliament back. The argument that parliament did not need to be called back really will not wash.

I can understand the minister's problem. I understand the pressures of cabinet and the summer vacation. I hope we will all be a little more diligent in terms of the next labour dispute which we are bound to have. I will not delay this any longer, Mr. Speaker.

Mr. Speaker: Order, please. Before recognizing the Minister of Labour (Mr. Munro), it must be understood that if he speaks at this time, he will close the debate. Is this agreed?

Some hon. Members: Agreed.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, after listening to the debate yesterday and today—

An hon. Member: You learned something.

Mr. Munro (Hamilton East): Yes, I did learn something. I learned that some do not have much to contribute. Some so-called experts have been disseminating nonsense. I can't learn from them.

There have been two outstanding areas of criticism. The first is that this is an inflationary settlement for which the government will have to take responsibility. The other is that the government, by identifying itself with the Perry recommendations, undermined the possibility of a settlement. I think these arguments are fallacious.

In closing I want to reiterate some of the principal points. First, dealing with the inflationary argument, there has been a propaganda effort put forward by some. This is certainly being done on the part of the companies involved. To a degree it is being mimicked and endorsed, I think ill-advisedly, by some members of the opposition. I am referring to this matter of an alleged 61 per cent settlement.

If there is a desire to try and establish a benchmark, it is to reiterate something like this. On any type of impartial examination, that is entirely false. It is not a 61 per cent settlement. Anyone who has had experience comparing various wage rates in various classifications, from data put out by the Department of Labour, Statistics Canada and others will know the comparisons. They compare all that unions with 500 or more employees have recently received in a collective bargaining session. They talk about wages. They do not include pensions, fringe benefits or other things won at the bargaining table, such as COLA.

This 61 percent figure includes all these. It is not accurate. It is excessive. If you want to compare it in terms of wage settlements won elsewhere, you must look at statistics. All you have to do is examine the record. It will show that this is marginally above an average of 15 per cent per year over a period of two years. That compares favourably with wage settlements on the west coast.

When you compare this wage settlement with all those other settlements, it stands up. Some of those other settlements of 17 per cent a year, or 10 per cent a year, do not show all the fringe benefits that were won. In most cases some fringe benefits were won. They do not show pension concessions or COLA. Opposition members talk about wages. If you want to compare this wage settlement with others, you must be objective and fair. You must compare it on the basis as the comparisons are established. That does not include fringe benefits such as COLA or pensions. There we are talking in terms of a 15 per cent average per year.

I wish to emphasize one other point. If you wish to add all these other benefits, you should look at the companies' own figures. Presumably there will be an opportunity tomorrow in committee.

The hon. member for New Westminster (Mr. Leggatt) talked about information sent out by United Grain Growers. It is quite true that they did not tell the farmers a lot of things. What they did tell them was inaccurate. They tried to get a response on what they did tell them. They talked about 61 per cent. It can be easily seen that they double counted the COLA clause. Would someone please tell me why it would be in the interests of the company to exaggerate a figure that even the union is not claiming? The union is prepared to sit down and say it is not 61 per cent. The union says there is double counting and it will accept a much lower figure. It is ridiculous to say it is still claiming a 61 per cent settlement.

I think this indicates to hon. members that the companies are not interested in settling this dispute. They want to make political marks if they can. They wish to embarrass the government. If they can get several allies in the official opposition to reiterate the falsification and the errors, they are going to do it. However, this is one of the matters to be examined by the committee tomorrow. We can point out the gross errors where the companies have intentionally, ill-advisedly, or unintentionally misinformed the farmers. This will be done on the basis of what they did tell them, let alone what they did not tell them.

The other reason given is that it seems inflationary. I ask hon. members opposite how it can be inflationary for Dr. Perry to have recommended for 550 grain handlers something less than 3,600 longshoremen have been receiving for the past year and a half, working side by side, and in many cases, doing the same work?

● (2040)

I have heard some members argue that grain handlers have a worse job than the longshoremen—it is dirty, it is dusty, it is harmful to the respiratory system, and so on. Yet these men have been paid comparatively less than longshoremen for a year and a half. And people call this settlement inflationary!

Do members opposite want to talk about percentages? I think it is idiotic to do so, because one ought to consider the equity involved in determining each particular case, and I have already given reasons for thinking there is a great deal of equity in this report of Dr. Perry. But when members opposite talk about the inflationary effect of a solution along those lines, I hear very little from them about the excess profits which are being made, the exorbitant returns being gathered by some people, and about what some people outside the unions are making.

We don't hear anything about the professions, for example. We do not hear about what some of the executives are making. Why not? If members opposite are concerned about equity, why do they limit their concern about inflation to the effects of a settlement with 550 grain handlers? If they want to talk about combatting inflation, let them include everybody else. Let them include the professions and excess profits being made by certain corporate bodies.

If they want to talk that way, I am prepared to listen. But if they are only prepared to ensure grain handlers get less than those working beside them, all I can say is that I consider it to be a very anti-labour posture, and certainly an unjust posture.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Many members have viewed inflation in terms of how much it will increase prices. Well, the price of a bushel of wheat now is about five dollars—the minister in charge of the Wheat Board (Mr. Lang) could tell the House more about that than I can.

An hon. Member: Two dollars fifty.

Mr. Lang: Five dollars and seventy cents.

Mr. Baldwin: Where?

Mr. Lang: At Thunder Bay.

Mr. Baldwin: Farmers are not getting that.

Mr. Munro (Hamilton East): Does the hon. member know what this settlement will do to the cost per bushel? The effect will be marginal. About one cent per bushel. Do hon. members wish to call that inflationary?

Mr. Nowlan: Yes.

Mr. Baldwin: It is the well-known domino effect.

Mr. Nowlan: What about the domino multiplier effect?

Mr. Munro (Hamilton East): As I see it, we should do what is just in each particular case. Maybe we should apply the reasoning of the Official Opposition to ourselves. We gave ourselves a 50 per cent increase as Members of Parliament. Perhaps when we talk about raises for ourselves next time we shall all start talking about equity.

Some hon. Members: Oh!

Mr. Nowlan: Give us Dr. Perry.

Mr. Munro (Hamilton East): Can I assume that when it comes to raises for members, the hon. member for Annapolis Valley (Mr. Nowlan) will accept the recommendations of Dr. Perry?

Mr. Nowlan: You give me Dr. Perry.

Mr. Munro (Hamilton East): I turn, now, to another aspect in terms of inflationary pressure. Many members of the opposition have sought to debunk the catch-up theory, and most unjustly, I think. The hon. member for Annapolis Valley, the hon. member for Hamilton West (Mr. Alexander) and others talked about the Lake Carriers' Association—the pilots and engineers. They spoke of a settlement involving 60 per cent or 65 per cent. Let them talk to many of the enlightened employers who voluntarily agreed to that settlement. I will tell them precisely what these employers will say, because my officials and I were involved for many days in the events surrounding that settlement. The employers agreed to that settlement on a voluntary basis.

Mr. Baldwin: You foisted it on them.

Mr. Munro (Hamilton East): The outstanding reason was this: they were encountering manpower problems. They could not get second, third and fourth class engineers who had been trained for five or six years before getting their tickets, to be jacks of all trades and work for the same rates of pay as carpenters, electricians and so on. It is within this framework that, even in the absence of the unions, the employers would have found it necessary to concede significant increases to enable these men to catch up. Some of the members on the other side—I have in mind particularly, the hon. member for Hamilton West—were obviously not aware of this. To keep the industry viable, to keep the grain and the ore moving, they had to reach a settlement of that kind.

Today, when we are talking about grain handlers, the situation is the same. Unless the rates paid to these grain handlers, working under conditions deplorable as they are, are brought more into line with those paid to the longshoremen, I believe the companies will experience a great deal of difficulty in getting the manpower needed to man the operation.

An hon. Member: Give it a try.

Mr. Munro (Hamilton East): I am talking about paying realistic wage rates so as to get sufficient manpower to run the operation.

Now I should like to turn to another matter, and that is the whole question of whether we have, somehow, undermined the collective bargaining process by identifying with the Perry report. But first I wish to clear up one or two misconceptions.

The hon. member for Hamilton West asked why the union did not accept the Perry report after the government had identified itself with it. If he will check the facts he will find that the union did accept the Perry recommendations, and that the companies rejected them before the government became identified with the report.

Let me deal with yet another misconception advanced by the hon. member for Hamilton West. He sought to give the impression that the Perry report contained, not recommendations but suggestions—and that an attempt was being made to "put something over", or that some hanky-panky was involved here. If the hon. member would study the Labour Code he would realize that Dr. Perry had no other task but to bring in recommendations.

When a single commissioner brings in what he feels is a reasonable basis for a settlement, he is bringing in recommendations. That is what the statute calls for. And, once they are published, everyone knows exactly what they are. It is extremely naïve for the hon. member or anyone else

to believe they could be interpreted as anything other than recommendations. Does one really expect a union leader to go to his membership and tell them not to pay any attention to them? How ludicrous, Mr. Speaker! These are recommendations. Dr. Perry was asked to bring in recommendations and, in fact, did bring in recommendations.

● (2050)

Let me come back to the charge that the government has undermined the collective bargaining process. When the companies came to Ottawa in May, before the government ever identified with the Perry recommendations, and we indicated that Dr. Perry had made certain recommendations, what did the companies and the union think about those recommendations?

We wondered whether they could arrive at some kind of settlement. It seemed that having made those recommendations they had to be taken seriously. But the companies said: "We are not going to accept the Perry recommendations as any type of basis for settlement. In fact, if we have no other alternative, there is going to be a work stoppage right away on that basis. There will have to be a work stoppage; we will have to have a strike or a lock-out".

Is that not indicative to hon. members that negotiation, bargaining, had completely broken down, and that an impasse had been reached? Of course that was the situation. What did the government do? When it had no alternative it had to implement section 188 of the Canada Labour Code and deny these workers the right to strike for up to three months. And not only that, it required them to work at the wage rate under the old collective bargaining agreement which expired in the previous November. It was already five months out of date and this added another three months to that.

Can any member of this House tell me that it would be fair and reasonable to expect those union leaders to require their workers to work under conditions like that without indicating to them what might be at the end of the road for them, especially when an independent report made by a third party was already made known? Would it be fair and reasonable, in anybody's estimation, to think that those workers could work under those conditions and would be prepared to do so? I ask each member to ask himself that question, and he will have to admit that the workers must be given some assurance. But this step avoided a breakdown of operations for three months.

This brings me to the point where the exercise of power under section 188 came to an end, which was roughly eight days after the return of the writs. I and my officials made every effort to try to reach a collective agreement. We tried, between the time when the power under section 188 expired and the time when the strike occurred on August 26, to reach agreement. Then after the lock-out or strike occurred we again tried right up until a week before the House came into session.

I ask hon. members; is that not what a Minister of Labour and his officials are supposed to do in a free collective bargaining system? Are they not supposed to make every effort possible to try to arrive at a settlement before using parliament to deny the rights of these workers? Some hon. members, the hon. member for Hamilton

[Mr. Munro (Hamilton East).]

West for one, and others, said that we should have called parliament into session very shortly after the strike occurred. Would we not then have been accused of acting arbitrarily and unnecessarily without making every effort to reach a settlement? Would we not have been accused of depriving these workers of their rights?

Did hon. members hear the union leaders and membership screaming for parliament to be called right after the strike occurred? They did not want parliamentary intervention; what they wanted was the collective bargaining system to be given a chance to work. They wanted to meet with the employers all through September and arrive at an agreement, and that is what should have happened. Those of us who believed in free collective bargaining made every possible effort to try to make it work before calling parliament.

All I am saying is that hon. members, such as the hon. member for Hamilton West and others, cannot complain on the one hand that we did not call parliament, which would have deprived these workers of their fundamental rights, and on the other hand say that we should not take away their bargaining rights but let the free collective bargaining system work. You cannot suck and whistle at the same time, but this is exactly what some members of the official opposition are trying to do on this particular issue.

During the course of this debate I have heard more reactionary, anti-labour speeches than I have heard in quite a long time. I was very surprised at how reactionary and anti-labour some hon. members can be in this situation when they hear the reasons why this particular report is justified. I suspect some members were quoting from company proposals and were urging them upon the House. I should like to read one viewpoint, if I may, expressed by one of the companies, the Palliser Wheat Growers. I am quoting their newsletter No. 33 for September, 1974:

> As has happened too often in the past, the evertrusting grain grower, watching from the sidelines, will be the big loser. Those providing a service in the grains industry are playing loosely with the producers' livelihood as they endeavour to promote their own vested interest. We are painfully aware that the major costs of any settlement will be borne by the primary producer.

Then listen to this, Mr. Speaker:

> We often cite wage settlements and rising prices as the main culprits in inflation; I suggest, however, that a contributing factor is the criminal waste that results from the non-productive use of capital equipment and manpower during the shutdown of an industry. It is unthinkable that responsible leaders in a so-called enlightened society will permit huge investments in ships, railway equipment, buildings, ports, and manpower as well, to stand idle while differences are settled.

I also refer to a report in the Regina *Leader-Post* headed "Saskatchewan groups want action in grain dispute". It quotes Mr. Nelson in the following terms:

> Terming the present labour dispute—

That is a reference to the dispute with the grain companies.

> —which has shut down grain exports from Vancouver the "farmer's own little Watergate," Mr. Nelson said grain company officials are guilty of "gross mismanagement and an irresponsible attitude."

There you have what one group thinks about this situation, Mr. Speaker. Also during this debate I have not heard very many members quote what the union has had to say.

Since I have heard what others have had to say, namely, the companies, perhaps it would not be out of order to put on the record what Mr. Kancs and the union have had to say, if for no other purpose than simply fundamental fairness. I am quoting from the brief that I believe was sent by local 333 to all members of parliament. Talking about the employers' campaign to discredit the Perry report, they say:

> They have completely ignored the issue of parity of wages with the longshoring industry.

The brief goes on:

> The grain workers are mindful of inflation as everybody is. But if the employers' argument had any validity the grain workers should not be awarded any increase whatsoever. Even a one-cent an hour increase would be inflationary.
>
> We submit that the employers are raising a red herring, and grasping for public sympathy, when they talk about inflation. A settlement based on the Perry report will be inflationary only if the industry fails to take the necessary steps to increase productivity in grain handling.

The rest of the union's submission sets out in detailed fashion how it is prepared to co-operate in increasing productivity. After all we have heard about this inefficient industry, if the union is prepared to go on record as supporting increased productivity, and it gets co-operation from management in doing so, then this settlement may not be inflationary at all. I suggest we would then see a great increase in productivity.

● (2100)

One has only to trace the history of the negotiations that have taken place between the grain companies and the grain handlers over the past decade to realize why we are faced with this present situation. A history of the 1960's will show that three majority conciliation reports, signed by the chairmen, were rejected by the companies. In 1952 the late Right Hon. Louis St. Laurent in frustration wanted to take over the companies, and I quoted him in that reference. Again at that time it was the chairman's report which was rejected by the companies. We have witnessed an almost uninterrupted series of rejections. There have been settlements in intervening years, but when there has been a rejection of a report made by a third independent party, be it the report of a commissioner or the board chairman, it has been a rejection by the companies.

Is it any wonder that when members ask why we do not have a settlement in this particular situation, the more enlightened ones suggest that we go to the root of the causes of the disasters in management-labour relations in this industry? It is for this reason I have suggested the appointment of an industrial commission.

I have already given some indication of the history of what has happened, and of the efforts that have been expended to get to a settlement. When one goes a step further one must ask himself what other reason there can be for the situation other than the fact that ill will has been festering for years and years in terms of management-labour relations in this industry?

I strongly suspect that if any member of this House put himself into the role of a mediator trying to get a settlement he would like to think there was economic pressure on both sides to settle. When there is such pressure the likelihood of reaching a settlement is much greater.

Do we have that kind of economic pressure on both sides to this dispute? Certainly the workers were on strike and were not drawing unemployment insurance benefits for five and a half or six weeks, so they were under pressure. What was the situation so far as the companies are concerned? Are they now under pressure? Perhaps if we look at that aspect of the matter we will find the key to why there has been no settlement here.

My friend and colleague, the minister responsible for the Wheat Board, indicated that the losses involved, even the demurrage charges, are not losses to the companies. These costs are passed on ultimately to the farmers. The companies are not paying any of the costs of this particular industrial relations fiasco. What is the pressure on the companies then to settle? I suggest this is a consideration we must take into account.

The companies do not have to pay the costs of this dispute. We now have a sellers' market. It has already been indicated that the companies are not terribly concerned about the employees. Keeping this in mind it is apparent that there is little motivation for the companies to settle. The companies are convinced that sooner or later they will sell the grain they now have on hand. In addition they know they will not have to pay the demurrage, so where is the pressure to settle? Why should they not turn down the report and use the whole thing politically to embarrass the government?

Every time a settlement is suggested the companies are tempted to embarrass the government and ridicule it across the country, even in the face of inflationary circumstances. The companies do not have to accept their responsibilities in arriving at a settlement. They do not even have to justify their actions to a membership, let alone the government. They use the government as an excuse for not accepting their own responsibilities. In addition to that the companies are able to get what I consider to be fairly enlightened members of the official opposition to buy their argument, hook line and sinker, and reiterate it, as they have done for the past two days.

If there is one question that should be asked during this debate it is whether some of these companies know what would be the entire cost of this settlement. I am referring to the cost of the settlement that could have been accepted at any time by the companies knowing full well, as every member of this House knows, that if parliament were recalled to settle the issue it must settle on the basis of other known precedents, and could not require the men to go back to work for anything less than the wage package recommended by the Perry report. I suggest everyone knows that. Everyone knows that there would not have been a settlement based on anything less than what was recommended in that report.

No one with any familiarity with the labour situation on the west coast would expect a settlement based on anything less than what was recommended by the independent third party, with any hope of ratification. Surely members of this House are not so naïve as to think otherwise. In full awareness of some of these hypocrisies how can hon. members reiterate the nonsensical and idiotic things that have been said here for the last two days?

I suggested earlier that these companies should be asked whether they know what the cost of this settlement would have been. The entire cost of the settlement over the next two-year period would have been $2.5 million. If that is the case, how can these companies justify allowing these demurrage charges, which they will not have to pay, but which the farmers will have to pay, to reach $10 million? Is that an indication of responsibility on the part of the companies? Is it a sign of responsibility on the part of the companies to allow these deplorable employee-employer relationships to develop in this industry? I suggest to hon. members of the official opposition—

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

Mr. Munro (Hamilton East): I am just about to conclude my remarks, Mr. Speaker.

Mr. Baldwin: Mr. Speaker, I suggest that we have been very patient. The minister is subject to the same time limitation imposed on other speakers, that is 20 minutes. While we do not mind listening to the hon. minister, when we have to listen to more than 20 minutes of inaccuracies it becomes a bit tedious.

Mr. Speaker: Order, please. The question of time had occurred to me during the course of the minister's remarks, but I was faced with two problems. When the minister gets to his feet members expect that he is closing the debate and there is some question as to whether he is in fact subject to the order. In any event, the order specifically excepts the first speaker for each party, and that includes the minister, so I had some doubt as to whether I should interrupt the minister on the basis of the time limitation, or on the basis of 40 minutes under Standing Order 31. In any event I understand the minister was about to conclude his remarks.

Mr. Munro (Hamilton East): Mr. Speaker, I am prepared to conclude with these comments. We have heard the arguments of members on both sides. We have listened to innumerable speeches. This is a controversial issue and we certainly have had ample opportunity to express our views. We know the strike is damaging, particularly as it has gone on as long as it has. All I can do is urge all hon. members to send this matter to the committee, where undoubtedly it will be thoroughly considered, it is to be hoped with dispatch, as there is a duty on the part of all of us to end this strike as expeditiously as possible.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

[Mr. Munro (Hamilton East).]

The House divided on the motion (Mr. Munro) (Hamilton East) which was agreed to on the following division:

● (2110)

(Division No. 2)

YEAS

Messrs.

Abbott
Allard
Anderson
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Beaudoin
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Boulanger
Breau
Brewin
Broadbent
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caouette (Villeneuve)
Caron
Chrétien
Clermont
Collenette
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
Demers
Dionne (Kamouraska)
Dionne (Northumberland-Miramichi)
Douglas (Bruce)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dubé
Duclos
Dupont
Ethier
Faulkner
Firth
Fleming
Flynn
Foster
Fox
Francis
Gilbert
Gillespie
Goodale
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Hogan
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Jones
Joyal
Kaplan
Knowles (Winnipeg North Centre)
Lachance
Lalonde
Landers
Lang
Langlois
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Leggatt
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacEachen
MacFarlane
MacGuigan
Mackasey
Maine
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Morin (Mrs.)
Munro (Hamilton East)
Nicholson (Miss)
Nystrom
O'Connell
Olivier
Orlikow
Ouellet
Parent
Pearsall
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Philbrook
Pinard
Portelance
Raines
Reid
Richardson
Roberts
Robinson
Rompkey
Rondeau
Rooney
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stollery
Symes
Tessier
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Whelan
Yanakis
Young—137

NAYS

Messrs.

Alexander
Baker (Grenville-Carleton)
Baldwin
Bawden
Beatty
Brisco
Cadieu
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crouse
Darling
Dick
Dinsdale
Ellis
Elzinga
Epp
Forrestall
Fraser
Friesen
Gillies
Grafftey
Halliday
Hamilton (Qu'Appelle Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hees
Hnatyshyn
Holmes
Horner
Howie
Huntington

NAYS

Messrs.

Hurlburt	Malone	Roche
Jarvis	Marshall	Rynard
Johnston	Mazankowski	Schellenberger
Kempling	McCain	Schumacher
Knowles (Norfolk-Haldimand)	McCleave	Skoreyko
Korchinski	McKenzie	Smith (Churchill)
Lambert (Edmonton West)	McKinley	Stanfield
La Salle	McKinnon	Stevens
Lawrence	Muir	Stewart (Marquette)
MacDonald (Egmont)	Munro (Esquimalt-Saanich)	Towers
MacDonald (Miss) (Kingston and the Islands)	Murta	Wagner
MacKay	Neil	Wenman
MacLean	Nowlan	Whiteway
	Oberle	Wise
	Paproski	Woolliams—77
	Patterson	
	Ritchie	

Mr. Speaker: I declare the motion carried. Accordingly the bill is referred to the Standing Committee on Labour, Manpower and Immigration.

Bill read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Macdonald (Rosedale): I rise on a question of privilege, Mr. Speaker. I was paired; had I voted I would have voted for the motion.

Mr. Horner: Let us Albertans know who was paired with the minister. We would pair with him every time just to get rid of him.

* * *

BUSINESS OF THE HOUSE

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I thought I should make it clear to hon. members that the business for tomorrow will be the resumption of the debate on the Address in Reply to the Speech from the Throne.

PROCEEDINGS ON ADJOURNMENT MOTION

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

HEALTH—REQUEST FOR FEDERAL GOVERNMENT SHARING COST OF NURSING HOMES AND HOME CARE—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, the other day I asked the minister whether the federal government was considering cost sharing in respect of beds in chronic nursing homes as it does in the case of active treatment hospitals. It is my belief that the federal government is substantially adding to health costs by not accepting this proposal.

It must be remembered that the federal government brought in the so-called Hospital Insurance and Diagnostic Services Act in 1957 whereby the federal government shared the cost of the program with the provinces. Each paid roughly about 50 per cent of the cost. At that time one could enter and leave hospital when the doctor felt that treatment so required. There were few if any chronic cases. The only exceptions were mental cases.

● (2210)

Extended health care did not come in until much later, when galloping health costs were swallowing up money faster than it could be budgeted. Hospital costs under the national health plan have risen from $20 per bed per day to $100 per bed per day in a period of about 15 years. In other words, the cost has risen five times in less than 15 years.

Health care costs are increasing at twice the rate of the gross national product. Surely no loopholes should be left unguarded. The cost now in Ontario has reached the astronomical figure of $2 billion. It is estimated, at the present rate, that in ten years it will be over $11 billion.

This could be a serious factor because health care may be cut in a very sensitive area which, in the long run, would cost much more. A patient who goes into an active treatment hospital today may be ready for discharge in two or three weeks. He may be able to return to his home if there is anyone there to care for him, or arrangements may be made for a homemaker to go to his home. The unfortunate thing is that the homemaker remains in the home for eight hours or less a day, which means that the patient is alone for a period of 16 hours unless he has relatives or friends to look after him. This type of home care service is completely inadequate.

What is required is that someone live in the patient's home until the patient has improved sufficiently to look after himself. This is not adequately funded. If a patient at the end of that treatment must go to an after-care facility, or extended care facility, there is a roadblock. In many cases a period of days or weeks expires before such a patient can get accommodation in an extended care bed.

There are not sufficient beds. We must have more facilities of this type. Such facilities could look after chronic cases exceptionally well. The nurses and associated workers become adept at looking after such patients.

Now we hear talk about cutting costs. Here is an ideal place to do it. An active treatment bed costs perhaps as high as $100 per day, while an extended care bed costs $17 per day. A patient could stay for a period of five days in an extended care facility for what it would cost to stay one day in an active treatment bed. In Canada there are nearly 1300 hospitals with 146,000 beds. If a patient could be sent to a health care nursing home, there would be a saving of two days in hospital per patient. This would lower costs and not interfere with the efficiency of care. The proportion of the cost in respect of building homes of this type will become greater and these homes will become more and more crowded as more and more people enter the older age group.

The age group from 65 up is the fastest growing in the country. It is the group that incurs shortened and less acute illness, and more and more chronic vascular disease and degenerative disease. It is to care for those people with adequate facilities that we must prevent cut-backs. To cut back would be a retrograde step in the health field.

The minister has accepted responsibilities in respect of some extended care facilities, and I now ask him to accept his responsibilities in providing health care not only for the acutely ill but for the chronically ill, that is, all those requiring extended care. Then he will have accepted the principle that surely is fundamental: that the most serious thing of all to any person is a long drawn out illness, often without hope of rehabilitation. It is for those people that I make this plea tonight.

Miss Coline Campbell (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, I am informed by the Minister of National Health and Welfare (Mr. Lalonde) that the hon. member for Simcoe North (Mr. Rynard) is well known in this House when it comes to matters of health. It is a pleasure for me to reply to such a notable health critic.

The government is well aware of the matter of rising health costs. It is aware of the way in which the present cost sharing programs encourage the continued use of high cost services, such as active treatment beds, when services like nursing homes or home care programs might well suffice. It is for this reason that the federal government proposed at the federal-provincial conference of ministers of health in May, 1973, a health cost financing formula.

The formula recognized the need to afford to provinces a greater flexibility in the determination of their priorities, as well as recognizing the importance of creating the incentive and the means to rationalize the health care system as a whole. At that time the provinces did not commit themselves to this formula, pending further study. It now appears that the provinces do not accept the proposed formula. The federal government is awaiting new proposals on the alternative solutions they would suggest.

The hon. member is aware that sharing in the cost of nursing home care is available under the Canada Assistance Plan where care is provided to persons in need. The department announced in February, 1974, that the government would be prepared to continue sharing where provinces choose to introduce programs based on the universal availability of the benefit. A measure to this effect is expected to be introduced this session to authorize such sharing in respect to the provinces of Ontario, Manitoba and Alberta, which have, to date, introduced universal nursing home care programs.

TRANSPORT—ALLEGED ACTION OF LAURENTIAN PILOTAGE AUTHORITY CHANGING BASIS FOR PILOT'S CERTIFICATE—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Madam Speaker, on October 2, the Minister of Transport (Mr. Marchand)—who has been good enough to remain here this evening and I want to thank him for that—in answer to my question on when the Desjardins report commissioned by him pursuant to section 14(5) of the Pilotage Act would be made public, replied "—as soon as we complete its study".

That is fair enough, Madam Speaker, but while this study is proceeding there are a few more questions that I hope will be taken under advisement and answered by the minister.

[Mr. Rynard.]

First and foremost, why has the government in its wisdom given the pilotage authorities the complete and total power to regulate the issuance of pilotage certificates? If you stop to examine the logic here, it makes as much sense as designing a parachute which will open on impact.

Without in any way blaming the Laurentian Pilotage Authority, which after all will naturally do its best to extend its influence, it must be remembered that the pilotage authorities in this country set examination standards, conduct examinations, and have complete and total control over whether a certificate is issued. It is obvious and elementary that it is not in the interests of a pilotage authority to issue great numbers of pilotage certificates. The issuance of each certificate reduces the income of the pilots in the area in question. I would ask the minister to change this rather extraordinary situation by making the necessary statutory amendments.

● (2220)

The next question I ask is: why did the Laurentian Pilotage Authority take the step it did in changing the basis for issuing pilotage certificates? Was this a quid pro quo, or an inducement, or one of the reasons for their settling the labour dispute last spring? I hope not, because such a suggestion would have cynical overtones.

Further to this line of reasoning, which I hope is not correct, can it be that the unusual conditions implicit in the Desjardin inquiry are designed to expedite the acceptance of the amendment? I say this because two of the conditions are somewhat unusual. For instance, condition No. 2 says:

> The investigation shall not be subject to the customary rules of evidence nor need evidence be taken under oath.

As a lawyer I find that strange. Condition No. 3 specifies that:

> The investigation shall not be conducted by means of public hearings but, on the contrary, through the investigation and examinations of those persons whom the said investigator deems possessed of evidence relevant to the subject matter and whose evidence should be examined in the public interest.

Another important issue concerns the opinion written by Professor W. R. Lederman, Professor of Law at Queen's University. Professor Lederman is a nationally recognized constitutional expert. In his opinion what is being proposed is unconstitutional.

Let me also ask this question. Does the proposed amendment help in any meaningful way to improve the safety, efficiency or economy of marine transportation. I believe the sooner these and other questions are answered, the better it will be for all concerned.

I want to see the Laurentian Pilotage Authority do well. I was one of those who supported their bid for parity with their west coast brethren in the Pacific coast pilotage authority when they encountered difficulty last spring in labour negotiations. There is an important issue at stake. The rights of others are involved, as well as the efficiency of our transportation system. The determination of those rights may depend on the contents of the Desjardin report.

I urge the minister, because of the importance of this matter, to begin this new session of parliament on a

constructive note. Let him bring this report forward quickly and deal with it.

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, that is rather unfortunate, but not as much as I wish to indicate, since we will undoubtedly have the opportunity of discussing further this important matter regarding language use in navigation of the Laurentian section of the St. Lawrence. To my mind, the question asked is important.

[*English*]

This is an important question and I do not intend to minimize it. I think it is a pity that I must discuss it in the few minutes available to me. I hope to have another opportunity to undertake a deep discussion of the matter.

I think the main problem here concerns security. We are not discussing the problem of language. Security is the main thing. That is what Mr. Desjardins deals with extensively in his report, which we should read as well as study.

Of course many languages are spoken on earth, Chinese, Russian, English, French, Spanish—

Mr. Paproski: And Ukranian.

Mr. Marchand (Langelier): Yes, and Ukranian. We are discussing navigation. We are not opening up discussion on the Official Languages Act in Canada. I would not like to distort this discussion by suggesting that my hon. friend is trying to put this subject on the table again.

Mr. MacKay: I never mentioned it.

Mr. Marchand (Langelier): No, I am sure the hon. member did not. I just want to be sure that that is not the case. Really, security is important. That is what Mr. Desjardins said.

I do not personally know Mr. Desjardins. I do know that he wrote his report in English. I am told he is much more fluent in English than in French. I do not blame him for that because many people in North America are more fluent in English than in French. This is nothing new. The reason I underlined that is because I am sure Mr. Desjardins is not a fanatic of some kind who wants to impose French on everybody. That is not so.

We will have to find an opportunity to discuss his point of view very objectively after the witnesses have been heard. He does not think that security is completely at stake. That is what we must look into.

[*Translation*]

The Acting Speaker (Mrs. Morin): I regret to interrupt the hon. minister, but his time has expired.

[*English*]

Mr. Marchand (Langelier): I think I have stated the problem.

[*Translation*]

I would hope that we will be able to discuss the matter. I think it was worth raising the problem tonight. It was not done meanly, but rather because it matters greatly to the pilots on the St. Lawrence as well as to the other pilots. I wish we will have the opportunity of considering whether it is really the best solution for the Canadian people.

[*English*]

RESEARCH—NEED FOR ADDITIONAL FUNDS IN MEDICAL FIELD—NUMBER OF SCIENTISTS LEAVING CANADA BECAUSE OF LACK OF FUNDS

Miss Flora MacDonald (Kingston and the Islands): Madam Speaker, the matter I bring to the adjournment debate this evening is one of mounting urgency and importance. I thank the minister for the tone of his reply when I asked him yesterday if he had been able to find the additional $2.5 million for the Medical Research Council since his undertaking to try to do so earlier this year. However, I also want to say how profoundly disappointed I was with the content of his response, that he had not been successful in his efforts.

The amount we are talking about, $2.5 million, is not large when one considers that the departments' overall budget is almost $5 billion. However, it is an extremely critical amount, not only to our scientific community but in determining the future standard of health care for all Canadians.

Earlier this year there was considerable discussion in committee and testimony provided by expert witnesses to substantiate the crying need for additional funding in medical research. At that time it was stated, and I quote:

> Since a nation's health is basic to its economy, biomedical science policies should be the concern of every Canadian. The presence of a crisis in a small area of government concern which may have a very large effect on our nation should be recognized now before matters go beyond a state of repair.

The plea was made to abandon the on-again, off-again style of nourishing research in Canada. Economists are agreed that any viable industry spends about 4.5 per cent on basic and marketing research. The biomedical sciences are not even asking for 2 per cent of its industry's budget. They are pleading against further erosion.

The government's decision to grant only a small increase in last year's budget to MRC and subsequently to hold the line on this year's figure has not only deprived medical research of a realistic increase in funds, but as well subjected existing funds to serious erosion by two-digit inflation. The situation was deemed critical by many concerned Canadians last spring, and the intervening months have seen a continuing deterioration.

In June a joint statement was issued by the Canadian Society for Clinical Investigation, the Canadian Federation of Biological Societies and the Association of Canadian Medical Colleges which pointed out, and I quote:

● (2230)

> In some medical schools, research programs in clinical departments are shrinking or closing down entirely because, in the absence of council support, they have no source of funds. Potential researchers are discouraged from entering upon a research career and the continuance of research activities by existing medical scientists is threatened.

Since then numerous representations have been made to me pointing out that certain projects are grinding to a halt because mounting inflation makes it impossible to absorb increased costs from funds made available even earlier this year.

Recently the Medical Research Council announced that it does not have adequate funds to support the project of a computerized pancreas, a project which has potential benefit for thousands of Canadian diabetics.

The greatest potential for disaster in the government's niggardly commitment to medical research is its impact on young graduates contemplating research careers. Last year only one per cent of the graduating class in one of our leading medical schools planned to enter a career in biomedical research and teaching, as compared with 10 per cent as recently as 1969. The appalling attrition in recruitment for medical research is understandable, given the vulnerability of the future of medical research, but it can have disastrous consequences for future generations of Canadians.

I plead with the minister and his colleagues to remove the constraints which were placed on medical research earlier this year, and to ensure that future budgets will include a constant dollar application and a realistic and guaranteed percentage of total health costs for research.

Miss Coline Campbell (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, on October 7, in reply to a question asked by the hon. member for Kingston and the Islands (Miss MacDonald), the Minister of National Health and Welfare (Mr. Lalonde) undertook to determine whether such a study had been carried out.

Inquiries were made and, as far as can be determined, no study has been undertaken or is under way to attempt to tabulate the number of medical scientists who have left Canada to pursue their research in another country.

Even if this number were to be known, the reasons which led these individuals to decide to leave would, of course, be difficult to determine. Further, in order to balance the books one would have to determine the numbers who have come to Canada and their reasons for doing so. Personally I do not think that the number of medical scientists who have left Canada because they felt their research would receive better support in another country, and for whom this was a major reason for their decision to emigrate, has been significant. However, as I have said, no serious attempts appear to have been made to determine this number, nor do I think there is any practical way of determining the motives of those who may have left.

In conclusion, Madam Speaker, I should like to repeat the minister's undertaking to seek out any funds which may be surplus to existing programs in his department so that he may transfer them to the Medical Research Council before the end of the fiscal year.

[*Translation*]

The Acting Speaker (Mrs. Morin): Order, please. The motion to adjourn this House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.36 p.m.

HOUSE OF COMMONS

Wednesday, October 9, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

EGGS—NEED FOR CLARIFICATION OF MINISTER'S STATEMENT ON CONTROL OF EXPORTS TO UNITED STATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise, under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of recent statements made by the Minister of Agriculture (Mr. Whelan) that Canada is planning to impose export controls on eggs to the United States if the Canadian market is short-circuited, a statement made without what appears to be prior consultation and furthermore has not been ratified by cabinet decision and is an invitation to economic retaliation by the U.S., I move, seconded by the hon. member for Provencher (Mr. Epp):

That this House urges the Minister of Agriculture to make a statement on motions forthwith clarifying this ad-hoc political decision announced on non-Canadian soil.

Mr. Speaker: The House has heard the motion. It being presented pursuant to Standing Order 43, it cannot be received without unanimous consent of the House. Is there unanimous agreement?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous agreement, the motion cannot be put.

* * *

INDUSTRY

UNITED AIRCRAFT—TRANSFERRENCE OF PRODUCTION TO UNITED STATES—CLARIFICATION OF LEGAL OBLIGATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. The matter of urgent and pressing necessity is the revelation that the United Aircraft Corporation, the recipient of approximately $71 million in federal assistance in recent years, has recently transferred 40 per cent of the production originally scheduled for Canada to the United States and plans a further 35 per cent shift in the coming year. There being a clear possibility that such action violates that company's agreements made with the federal government. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

● (1410)

That this House instructs the Minister of Industry, Trade and Commerce to make a comprehensive statement in the House at the earliest possible date outlining the legal obligations of United Aircraft on this matter and providing details on its future operations in Canada.

Mr. Speaker: The House has heard the motion. Since it is put forward under Standing Order 43 it cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: In the absence of unanimous consent the motion cannot be received.

* * *

[*Translation*]

CANADIAN ECONOMY

REQUEST FOR COMMITTEE STUDY OF REASONS FOR UNEMPLOYMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss an urgent question.

It deals with the reduction of jobs and increase in unemployment in Canada. I would move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That a special committee of this House be set up to analyze the main causes contributing to a reduction of jobs in Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Since there is not unanimous consent, the motion cannot be put.

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a point of order under the terms of Standing Order 28.

I am always amazed to see how touchy we are about the observance of certains standing orders and yet ignore others. Standing Order 28 reads as follows:

Every member desiring to speak is to rise in his place, uncovered, and address himself to Mr. Speaker.

In light of this, if I understand it well, it seems to me this standing order applies, as it does in other circum-

stances, when an hon. member asks unanimous consent of the House to introduce a motion under Standing Order 43. If an hon. member is against the motion he should rise in his place and address himself to the Chair designating him by name.

I am convinced that all hon. members would be happy to know, when there is not unanimous consent, which hon. members are against the motion. I therefore respectfully ask the Chair to see to it that Standing Order 28 is respected in the future, when indicated, even when a motion is moved under Standing Order 43.

Mr. Speaker: I thank the hon. member for Bellechasse for having brought up that interesting question, but for a long time now it has been customary for the House to decide that there is not unanimous consent even when there is only one dissenting voice amongst hon. members. But the question is very interesting and I shall study it in the future.

* * *

[*English*]

TRANSPORT

CAPABILITY OF RAILWAYS TO MOVE EMERGENCY OIL SUPPLIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to propose a motion on a matter of urgent and pressing necessity. Because of the obsolescence of much of the roadbed used by Canadian railways and the disclosure in the third report of the Railway Transport Commission of the CTC of a possible reduction in load weights and heights, and keeping in mind that Bill C-236, the Energy Supplies Emergency Act, empowers the Energy Supplies Allocation Board to direct the CTC to order railway cars to move oil on an emergency basis, I wish to move, seconded by the hon. member for Central Nova:

That the Minister of Transport make a statement on motions at the first opportunity, outlining the specific capabilities of Canada's railways to respond to the type of emergency situation contemplated in Bill C-236 and telling the House and the country what measures his government, in co-operation with the railways, is presently undertaking to remedy the obsolescence of our railway system in this country.

When you call the vote on this matter, Mr. Speaker, I will not insist on strict compliance with Standing Order—

Mr. Speaker: Order, please. The House has heard the motion presented pursuant to Standing Order 43. In view of the fact that it requests the minister to make a statement on motions at the first opportunity, I have grave reservations whether in fact that, in itself, indicates a matter of urgent and pressing necessity. For the moment, however, I am prepared to give the hon. member the benefit of the doubt and to ask at this time whether unanimous consent is given, since the motion is put pursuant to Standing Order 43. Is there unanimous consent that the motion be adopted at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Lambert (Bellechasse).]

Mr. Speaker: Without there being unanimous consent, the motion cannot be put.

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ARMY BENEVOLENT FUND ACT

AMENDMENT TO GIVE BOARD AUTHORITY TO MANAGE OTHER FUNDS

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved for leave to introduce Bill No. C-17, to amend the Army Benevolent Fund Act.

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

* * *

[*Translation*]

FIRE LOSSES REPLACEMENT ACCOUNT ACT

AMENDMENT TO EXTEND APPLICATION OF ACT

Hon. Mitchell Sharp (for the Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-18, an Act to amend the Fire Losses Replacement Account Act.

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

* * *

[*English*]

TWO-PRICE WHEAT ACT

MEASURE TO PROVIDE FOR PAYMENTS FOR WHEAT PRODUCED AND SOLD IN CANADA FOR HUMAN CONSUMPTION

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill No. C-19, to provide for payments in respect of wheat produced and sold in Canada for human consumption in Canada.

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

ORAL QUESTION PERIOD

[*English*]

HOUSING

GOVERNMENT MEASURES TO STIMULATE CONSTRUCTION AND REDUCE COST

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister arising out of the very alarming decline in housing starts, September being down to about 35 per cent in terms of urban starts. I address the question to the Prime Minister in view of its direct importance to the people in terms of the cost of housing as well as its effect on unemployment. Does the government propose to take any effective measures to offset this decline in housing starts,

to increase the number of housing starts in the country and avoid the very painful consequences of the present slowdown?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of State for Urban Affairs has commented on the programs which are in place now. The government is giving serious attention to this important matter, and if any announcements are to be made they will be made in the traditional way.

● (1420)

Mr. Stanfield: Mr. Speaker, in view of the fact the Minister of State for Urban Affairs speaks of new initiatives taken by the government which have obviously had a marginal effect upon housing construction, as is indicated by the rather appalling decline in the number of starts, I would ask the Prime Minister whether his government has in fact any policy to reduce the rate of inflation and the cost of housing, and whether it really has any strategy to increase the number of starts?

Mr. Trudeau: Mr. Speaker, I repeat that in his comments the minister responsible indicated what the government's strategy is. There are some aspects of the decline in which we can only have an indirect role. The increase in the cost of land and the lack of supply of serviced land are problems we touched on in the Speech from the Throne, and however we go about it, of course, this calls for action and co-operation at every level of government.

Mr. Stanfield: Am I to take it then that the government is prepared to stand on its present position, taking the attitude that this is about all that can be done, and if housing starts continue to decline that is too bad, but that is the way it is?

Mr. Trudeau: No, Mr. Speaker.

PROMISE OF $500 TO BUYERS OF NEW HOMES—DATE OF IMPLEMENTATION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the fact that during the election the Prime Minister and many people in his party promised $500 to those buying new houses, I should like to know when that will be implemented and whether it will be made retroactive to the date of the promise, as there are many young people struggling today to buy new homes, some of whom may have been encouraged to give the support the Prime Minister received?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is no intention to act retroactively on any measures which have not already been announced. The fact that some measures were not implemented at the time is more the responsibility of the opposition which defeated the government.

Some hon. Members: Hear, hear!

Mr. Trudeau: The government proposes to implement its election promises, as I believe I indicated on the first day in the House, over the period of this parliamentary term.

Mr. Woolliams: Mr. Speaker, as I understood the Prime Minister, he is laying the blame for the fact that this $500 promise made during the election has not been implemented on the opposition. If this was not election puffery and there is a sincere program promised by the Prime Minister and members of his party, which has nothing to do with us, surely he will tell the House in a clear-cut manner when it will be implemented. If it is not to be implemented, then this is election puffery of which he is guilty.

Mr. Trudeau: Mr. Speaker, I can only repeat what I have said previously in a previous answer, that the various programs which were announced either before or during the election campaign will be implemented during the course of this parliament.

REQUEST FOR INCREASED FUNDS TO STIMULATE CONSTRUCTION

Mr. John Gilbert (Broadview): Mr. Speaker, in view of the serious housing shortage, if the moneys for the Assistance to Home Ownership Program and for public housing have been exhausted, will the government increase the capital amounts for these programs to meet the housing crisis?

Right Hon. P. E. Trudeau (Prime Minister): This is a matter which is being considered, Mr. Speaker.

Mr. Gilbert: Mr. Speaker, in view of the serious housing crisis and the rate of unemployment in the lumber and forest products industries, particularly in Quebec and British Columbia, will the government increase the capital budget for housing in order to meet this crisis and to help solve the unemployment problem?

Mr. Trudeau: Mr. Speaker, the hon. member will of course realize that the main cause of this crisis in the lumber industry is the weakening of the economies of those markets to which we sell lumber products. About two-thirds of our product is sold abroad and the weakening markets there have made it more difficult to export to those countries. As to the one-third which is sold in Canada, only one-third of that is used for housing.

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COMMONWEALTH RELATIONS

ALLEGED DESIGNATION OF PAUL MARTIN AS AMBASSADOR TO LONDON—POSSIBLE DISCONTINUANCE OF DESIGNATION "HIGH COMMISSIONER"

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. I should like to ask him whether there is any foundation for the statement made this morning to the effect that the Hon. Paul Martin, a very famous member of this chamber and a respected member for years—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: —is to go to London with the title ambassador rather than high commissioner?

Right Hon. P. E. Trudeau (Prime Minister): The answer is no, Mr. Speaker.

Mr. Diefenbaker: Have there been any discussions among members of the Commonwealth to the effect that there should be an alteration of the designation of high commissioner and ambassador substituted therefor.

Mr. Trudeau: Mr. Speaker, there have been no such discussions. The hon. member might have the assurance that, as a member in good standing of the Royal Society of Canada I would never contemplate such.

* * *

POST OFFICE

REMOVAL OF WORD "ROYAL" FROM MAIL TRUCKS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, as a fellow member of the Royal Society may I ask how it came about that the "Royal" got knocked out of "Royal Mail" under his administration?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would only want to point out in this private exchange that I am a member in my own right and that he is only an ex-officio member of the Royal Society. I still want to answer courteously the right hon. gentleman even if he is only an honorary member and remind him that it was his administration which started taking off the sign "Elizabeth II" from the mail boxes. This was a decision taken by his administration.

Mr. Diefenbaker: Mr. Speaker, on a question of privilege—

Mr. Speaker: This is a very interesting exchange, but there are others who wish to ask questions. However, I shall permit the right hon. gentleman one more supplementary.

Mr. Diefenbaker: Mr. Speaker, in respect of the self-satisfaction of the Prime Minister in being a member of the Royal Society of Canada and my being an honorary member, all I can say is that I shared that honour with Mr. Pearson and Mr. King. Insofar as the statement is concerned, and the manner in which he has eroded the royal relationship with Canada, I say to him that his statement that any such change was made under my administration is completely false and he knows it.

* * *

INDUSTRY

UNITED AIRCRAFT—TIME WHEN GOVERNMENT BECAME AWARE OF TRANSFERRENCE OF PRODUCTION TO UNITED STATES—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Justice concerning the activities of the United Aircraft Corporation in Montreal whose dealings with the federal government I understand have been investigated by the minister's department. Considering the fact that more than $70 million of federal funds have gone into that corporation in recent years, could the minister inform the House when either officials of his department or of that of the Minister of Industry, Trade and Commerce became aware of the fact that that company had transferred some 40 per cent of its production in the Montreal area to the United States? Could he inform the House when the government became aware of that fact and what has been done about it by the government?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that question would be better directed to the Minister of Industry, Trade and Commerce. There was a discussion about involvement on the part of my department but the main thrust for handling the problem is in that department.

• (1430)

UNITED AIRCRAFT—SUGGESTED ENFORCEMENT OF LEGAL OBLIGATIONS

Mr. Edward Broadbent (Oshawa-Whitby): In the absence of the Minister of Industry, Trade and Commerce I should like to direct a question to the Prime Minister who dealt with this matter the other day. Can he assure the House that the legal commitment, including the provision of employment in the Montreal area entered into by United Aircraft Corporation, one of the conditions to get all the money from the federal government, will be lived up to? Not only does one anticipate an affirmative answer from the Prime Minister but would he undertake on behalf of the Minister of Industry, Trade and Commerce to make a statement on this serious subject to the House later this week?

Right Hon. P. E. Trudeau (Prime Minister): The minister is in Toronto where he is attending the arrival, on behalf of the government of Canada, of Team Canada which showed such excellent spirit in the games abroad. He is concerned with the matter that has been discussed previously in connection with this subject, and he is looking into it. If he has any statement to make, I am sure he will be making it to the House.

UNITED AIRCRAFT—SUGGESTED TAKE-OVER BY GOVERNMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have one final supplementary question. Is the Prime Minister now in a position, after several days of meditation, to inform the House whether or not his government has decided to take this firm within public ownership?

Right Hon. P. E. Trudeau (Prime Minister): I believe the Leader of the NDP must have heard my answer on this subject a couple of days ago.

Mr. Broadbent: That is why I repeated the question.

FOOD PRICES

SUGAR—GOVERNMENT ACTION ON RECOMMENDATIONS OF FOOD PRICES REVIEW BOARD TO LOWER PRICE

Hon. George Hees (Prince Edward-Hastings): I have a question for the Minister of Industry, Trade and Commerce but in his absence I will address it to the Minister of Finance. As the price of sugar has increased by more than 200 per cent in the last 12 months, causing many Canadian food products to rise in price very sharply indeed, has the government followed through on the proposals made by the Food Prices Review Board last July that sugar prices should immediately be reduced by opening negotiations to lower tariffs on sugar imported from non-Commonwealth countries, lifting the British preferential tariff on sugar, negotiating for lower sugar tariffs from countries with most favoured nation status, and finally, to allow Canada to import raw sugar from other sources such as Brazil and Cuba? If these proposals have not been carried through, when will they be?

Hon. John N. Turner (Minister of Finance): There is also a Tariff Board report on this question, and both subjects will be considered together.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR COMPENSATION TO QUEBEC IN LIEU OF USE OF FORCE—SUGGESTED INCREASE IN CHARGES TO OTHER PROVINCES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a question of the right hon. Prime Minister.

He probably knows about the letters sent by the Quebec Minister of Justice to the federal government concerning the refusal to use the Royal Canadian Mounted Police for provincial security purposes, because Quebec has its own police force. When the Quebec Minister of Justice asked for compensation, the federal government refused. Is it now considering compensating the province of Quebec for its refusal to allow Quebec to use the RCMP in Quebec, and in this way contributing to the security of Quebec or the use of Quebec police officers?

Right Hon. P. E. Trudeau (Prime Minister): I must remind the hon. member that the federal police force is used in the province of Quebec for numerous very useful purposes. The only difference, Mr. Speaker, is that both Quebec and Ontario have established a provincial police force. The federal government has considered the request of the province of Quebec and studies it in detail. The Solicitor General has in fact replied to the letter sent by the Quebec Minister of Justice. I believe that the contents of this letter have been made public. If not, I shall see to it that the hon. member is made aware of the arguments it contains, which will, I am sure, convince him that the federal government made the only possible decision on this matter.

Mr. Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary.

Is the cabinet considering setting higher charges for the provinces which use the RCMP instead of compensating Quebec and Ontario because they do not? The Prime Minister says that we use the RCMP, but we do not use it as much as Alberta, British Columbia, Manitoba and eastern Canada, where the provincial police force even acts as a municipal police force in some cases. These provinces should pay the costs for the use of the RCMP. That is why the governments of Quebec and Ontario are asking some compensation from the federal government for the non-use of the RCMP at the provincial level. Does the federal government intend to compensate these provinces?

Mr. Trudeau: As to the second part of the question, Mr. Speaker, I feel I have already replied to it. As to the first part, these contracts with provincial governments are renewed periodically. Each time they are renewed, the amount of compensation, the amount a province must pay for using the RCMP, and that which the federal government has to pay are negotiable matters. All provinces, Quebec included, wishing to take part in these discussions are free to do so. But I do not think that a province which refuses to sign such a contract with the federal government should suggest that the said government is charging too much or too little.

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HARBOURS

PROPOSED SITE OF DEEP SEA PORT AT GROS-CACOUNA—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to ask a question of the Minister of Transport.

Since his government has shown much interest for quite some time in building a deep sea port and since the population of Gros-Cacouna and of Quebec in general await impatiently the findings of studies undertaken in this regard, I would like to know if the minister is able to tell us what are the possibilities of seeing this project through, or if another site has been chosen by the government?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am as anxious as the hon. member to receive the report under way on new harbour structures in Canada. Undoubtedly, I will then be able to answer this request more precisely.

Mr. La Salle: A supplementary question, Mr. Speaker.

In precise terms, would the minister say that the construction of a port at Gros-Cacouna is still a possibility?

Mr. Marchand (Langelier): Locations at Gros-Cacouna are still considered as well as those of Sept-Îles, Port-Cartier, Quebec City and a few others also.

[*English*]

HOUSING

SUGGESTED INCREASE IN FUNDS FOR SENIOR CITIZENS HOUSING TO ALLEVIATE UNEMPLOYMENT IN LUMBER INDUSTRY

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs but in his absence I will direct it to the Prime Minister. Would the government as an act of compassion, in the light of the fact that there are now 12,000 men unemployed in the lumber industry in British Columbia, direct some moneys to housing in the senior citizens program and thereby help the unemployment program as well as provide much needed housing?

Right Hon. P. E. Trudeau (Prime Minister): I will consider the proposal of the hon. member.

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FINANCE

ALLEGED STATEMENT BY MINISTER CONCERNING REASSESSMENT OF ELECTION PROMISES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Finance. Following the exchange between the hon. member for Calgary North and the Prime Minister at which time the Prime Minister indicated, if I heard him correctly, that all the promises made during the election would be implemented, and keeping in mind the speech that the Minister of Finance made in Vancouver in which he registered some concern and stated that a reassessment of those promises should be made, can we now assume that the Minister of Finance has been shot down with respect to this attitude?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have not had a recent conversation with the Prime Minister on that, but I do not think so. I want to say through you, Mr. Speaker, that the Prime Minister has said that the commitments made during the election which will be kept will be implemented within the life of this parliament.

Some hon. Members: Oh, oh.

Mr. Turner (Ottawa-Carleton): I said exactly the same thing in different words, namely, that the commitments made by the party now holding governmental office in this country ought to be orchestrated within the ability of the economy to digest them.

Mr. Alexander: Is the minister now stating that he is forgoing any reassessment in terms of the promises that were made during the election? Does he not feel that that is still important, or was that just puffery and the glamour attitude he is adopting in looking forward to the leadership?

Mr. Turner (Ottawa-Carleton): There is no puffery at all. With the proper reconciliation of priorities, including those commitments made by this party during the election, they can all be digested within the ability of this country in its growth to digest and implement without undue effect on the economy.

[Mr. Marchand (Langelier).]

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● (1440)

AGRICULTURE

MILK—RECOMMENDATION OF FOOD PRICES REVIEW BOARD ON RETENTION OF SUBSIDY—GOVERNMENT POSITION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Agriculture. Given the latest CPI increase of 2 per cent in dairy products, is the minister prepared now to follow the recommendations of the Food Prices Review Board and extend the subsidy on milk, in view of its importance as a staple item of nutrition which should not be forgone because of rising prices.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the government has not changed its mind on the subsidy. It is a consumer subsidy.

Miss MacDonald (Kingston and the Islands): A supplementary question, Mr. Speaker. If the minister is not prepared to follow the recommendations of the board, can he say why the government is extending the mandate of the board for another year at the expense of the Canadian taxpayer?

Mr. Whelan: Mr. Speaker, you must remember that when the government took up the question of the five cents a quart consumer subsidy, it did so without recommendations from that board. We said at that time that it would be in effect for one year, until other programs could be initiated. If you want to talk about other products, you could talk about sugar which has gone up by 17.6 per cent this last month.

Some hon. Members: Order.

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FOOD PRICES

ALLEGED STATEMENT BY MINISTER OF AGRICULTURE INCREASED PRICES NOT INFLATIONARY

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is directed to the Prime Minister and is prompted by the further, unusual increase in the food component of the Consumer Price Index and the increase in the wholesale price index. Was the Minister of Agriculture enunciating government policy in the United States yesterday when he said that increased food prices are not inflationary?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not see the statement made by the Minister of Agriculture. I will look at it. I am sure it makes good sense.

[*Translation*]

SPORTS

MONTREAL OLYMPICS, 1976—FAILURE OF CERTAIN BANKS TO RECOGNIZE OLYMPIC COINS AS LEGAL TENDER

Mr. Claude-André Lachance (Lafontaine): Mr. Speaker, may I direct my question to the hon. Postmaster General, who is responsible for the marketing program of the Olympic coins in Canada and abroad?

Since sections 3(1) and 4(1) of the Olympic (1976) Act, being chapter 31 of the 1973 Statutes of Canada, provide that these coins are legal tender in Canada for a payment not exceeding $20, can the minister explain why some banks, with specific guidelines of the Bank of Canada, refuse to honor them?

If there are any guidelines of this nature, does the minister intend to give instructions to the Bank of Canada in order to redress an irregularity that could cause mistrust amongst numismatists throughout the world and Canadian taxpayers generally?

[*English*]

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the question was so detailed that it might be better put on the order paper. I will take up the matter privately with the hon. gentleman after the question period, to see if there is any substance to his charge.

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[*Translation*]

AGRICULTURE

MAPLE SUGAR INDUSTRY—REQUEST FOR SUBSIDY

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is for the Minister of Agriculture.

Since maple bush owners are hard put to get reasonable returns for last spring's maple products, would the minister tell if financial assistance was requested by producers or associations, and if so what course of action he is contemplating to help this group of producers.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, an agreement has been reached with them which will provide them with initial payments.

[*Translation*]

PUBLICIZING OF AGREEMENT WITH GOVERNMENT

Mr. Adrien Lambert (Bellechasse): I have a supplementary for the minister, Mr. Speaker. Given the minister's answer that agreement was reached, would he state if the House will soon be made aware of the features of the agreement, in order that we may inform producers in time.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, my parliamentary secretary and officials negotiated most of the agreement with the maple sugar producers. I did not think there was anything secret about it. If it has not been published so far you can be sure that it will be.

COW-CALF OPERATION—REQUEST FOR AID

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is for the Minister of Agriculture. Although he has been pretty busy recently answering questions about eggs, would he inform the House whether there is any thought, concern or program regarding the cow and calf operators in Canada who are now facing the lowest returns for calves in the last 20 years?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as I told the House on Monday, a meeting was taking place then between provincial officials and the federal people. So far they have not made a full report. I understand that many suggestions were put forward. I received a preliminary report, but nothing that was really firm as to what should be done. All agreed that something should be done.

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EXTERNAL AFFAIRS

DISCUSSIONS WITH UNITED STATES ON PLANS TO TRANSPORT ALASKAN OIL ACROSS CANADA

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of remarks made yesterday by United States Ambassador Eberle relating to the possibility of oil being transported from Alaska over Canadian territory, can the minister advise the House whether the government is presently discussing, or plans to discuss, such an eventuality with United States officials?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the comments to which my hon. friend refers were not made in the conversation which Canadian ministers had with the ambassador. The matter was not raised in those terms.

Mr. Fraser: A supplementary question, Mr. Speaker. Can the minister advise the House whether he has any knowledge of United States' policy regarding Alaskan oil which involves the transportation of Alaskan oil across Canada to the United States?

Mr. MacEachen: Mr. Speaker, I have no precise knowledge, except to this extent: it was agreed, following the conversation yesterday, that in order to clarify certain general comments made in what was a relatively brief meeting, detailed discussions would be held later between officials of Canada and the United States and this is one point which could be explored at that time.

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FINANCE

GOVERNMENT ACTION TO STIMULATE LUMBER INDUSTRY—POSSIBLE REMOVAL OF SALES TAX ON BUILDING MATERIALS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Finance. As the wholesale price of lumber has been decreasing at approximately $1 per thousand board feet per day since midsum-

mer and as this situation, coupled with the sharp decline in housing starts, has resulted in drastic lay-offs of thousands of workmen now with a potential lay-off of 100,000 people in British Columbia alone, has the minister given any consideration to this serious problem and, if so, does he intend to make a statement on it?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I and my colleagues, particularly the Minister of Industry, Trade and Commerce, and others are watching the situation which has come about primarily as a result of softening in the American, Japanese and British markets for British Columbia lumber. I doubt whether I will be making an immediate statement. The question is under active review.

Mr. Oberle: A supplementary question, Mr. Speaker. Is the minister considering a departure from a previous policy he announced, to the effect that he will not consider removal of the 11 per cent sales tax to stimulate housing construction in Canada, a removal which would help the lumber industry immensely.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do not think the removal of that tax would help with the immediate problem, which has resulted from the softening of our export markets for lumber.

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THE BUDGET

DATE OF PRESENTATION IN VIEW OF UNITED STATES POLICY TO FIGHT INFLATION

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. Now that the Minister of Finance has heard the President of the United States give his views on curing inflation, is the minister able to tell the House when he will bring down a budget, or will he wait for the American universe to unfold a little longer?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I did not have the opportunity of listening to the President of the United States address the Congress, but we had a full Telex report of what he said immediately as he said it. We also had, as the Secretary of State for External Affairs said, a verbatim background of the American proposals given to us by Ambassador Eberle and Ambassador Porter at about 6.15, only two hours after the President spoke. One of the things which struck me was that a good deal of the consensus of American economists, some of which has been accepted by the President of the United States, includes policies we have had in place in this country for the last 24 months.

● (1450)

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I assume the Minister of Finance did not hear my question. May I ask when he is going to bring in the budget. I know he wanted to make a good speech.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I wanted to deal with the hon. member's question as fully as I could. I hope to be speaking on the same subject a little later today. However, the budget will be brought forth some time before November 15, subject to further conversations with my colleague, the House leader.

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TRANSPORT

SUGGESTION FEDERAL GOVERNMENT JOIN IN URBAN TRANSPORTATION DEVELOPMENT CORPORATION

Mr. Bob Kaplan (York Centre): Mr. Speaker, I wish to ask the Minister of Transport whether the government of Canada is prepared to join with the governments of Alberta and Ontario as a shareholder in the Urban Transportation Development Corporation so that more attention can be given to transportation systems in our cities.

Some hon. Members: Hear, hear!

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is something we as a government are looking into.

Some hon. Members: Oh, oh!

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FINANCE

PROPOSED UNITED STATES INVESTMENT TAX CREDIT— POSSIBLE STUDY OF EFFECT BY DEPARTMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Minister of Finance. In view of President Ford's announcement yesterday of an investment tax credit in the United States and the danger it imposes to us in the outflow of Canadian capital to the United States, will the minister within the next day or two be announcing foreign exchange controls?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that is the sort of question I will answer in this form. The hon. member knows I do not comment on futures, interest rates, commodities or foreign exchange. I might say that an immediate preliminary review of the president's proposal does not indicate that it will have any appreciable effect on the Canadian market.

Mr. Nystrom: In view of the lively interest in foreign ownership in this country, and the danger of funds flowing back to the United States because of this type of credit, can the minister state whether his department is doing a definitive study of the problem. If so, will he table that information for all members to see once it is completed?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, we are conducting studies on a number of problems. I try to take the House into my confidence as often as I can, whenever the rules allow. However, as for the information being made public, this is of course given to me on a confidential and frank basis by the public service of Canada.

PENITENTIARIES

BRITISH COLUMBIA—MANNING OF TOWERS ON TWENTY-FOUR HOUR BASIS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a couple of questions for the Solicitor General. I have given his office notice. In view of the fact that last year the minister stated that the four towers of the British Columbia penitentiary would be manned on a 24 hour basis to add to the security of the penitentiary and in view of the fact those towers are not manned at all between the hours of midnight and eight a.m. and have not been so for some months, when will the towers again be manned on a 24 hour basis?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, those towers were manned on a 24 hour basis during a period of time when we had some difficulties with security. I forget the exact date, but for some time they have not been manned after the lock-up at midnight. However, there have been perimeter patrols outside the walls and dogs on guard within the walls. We do not have any plans to reintroduce manning the towers at this time.

BRITISH COLUMBIA—NUMBER OF GUARDS CHARGED WITH DRUG OFFENCES

Mr. John Reynolds (Burnaby-Richmond-Delta): Can the Solicitor General advise this House how many employees in the penitentiary service in British Columbia have either resigned or are on leave of absence because of their arrest or conviction on drug charges?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will have to get exact information for the hon. member. I will be pleased to do that. I might say that since we introduced the new measures last year, escapes in the penitentiary service have been reduced by 50 per cent.

Some hon. Members: Hear, hear!

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FINANCE

METHOD ADOPTED BY UNITED STATES TO ACHIEVE INTERNATIONAL CO-OPERATION IN FIGHTING INFLATION—CONSULTATION WITH CANADIAN GOVERNMENT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance or the Secretary of State for External Affairs. In their discussions yesterday, did Ambassador Eberle disclose whether President Ford means that international co-operation to fight inflation will be to display some new initiatives in a formalized way? Is there to be a new structure, or will this be on a bilateral basis, or again will this be within the framework of the International Monetary Fund, the World Bank or any other frameworks that now exist, including the committee of which the minister has now been, shall I say, put on the hot seat by being elected its chairman?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I appreciate the interest of the hon. member and the hon. member for Don Valley by their attending Ambassador Eberle's press conference before he left. What the ambassador made clear to the Secretary of State for External Affairs, the Minister of Industry, Trade and Commerce and myself is that the United States envisage consultation and co-operation in the inter-relationship of budgetary policies as they might have contagious follow-up effects on other economies around the world. His purpose in coming here was to explain on behalf of the president the fact that in setting the budgetary and other fiscal and monetary policies of the United States, including the conservation policies they had in mind, they also had in view the effect those actions would have on Canada and other countries within the economic world.

Mr. Lambert (Edmonton West): Was there any indication there would be prior consultation rather than simultaneous disclosure as the statement was being made and the policy was being unveiled in Washington while the ambassador was explaining to the ministers here? How can that be reconciled with the word "consultation"?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the disclosure and explanation to Canada was as close to being simultaneous as could be. The ambassador spoke to us at 6:15. The president spoke to the United States Congress at four o'clock. The United States, through Ambassador Eberle and Secretary of the Treasury Mr. Simon, contemplate increasing the structural force and structural power of the international monetary fund, giving it surveillance power to review budgetary policies of various member nations as they have contagious effects around the world. In that sense, I agree with the hon. member's question.

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FISHERIES

MERCURY LEVEL IN SWORDFISH—EFFORTS TO HAVE UNITED STATES LIFT GUIDELINES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries. In view of the fact that some 20 swordfishing boats are today operating out of the port of New Bedford, Massachusetts, when does the minister intend to take steps to re-open talks with his counterpart in Washington in an effort to have the United States government lift its mercury guidelines on swordfish? Exports from Nova Scotia alone prior to the FDA ban in 1969 were worth between $4 million and $5 million.

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, we are looking into this matter. I remind the hon. member that the mercury level of swordfish is still very much a problem for both the Canadian and United States authorities. I am very hopeful that some day our swordfish fishermen may return to what was once a very important resource business.

Oral Questions

INDUSTRY

AUTOMOBILES—EFFECT ON CANADIAN INDUSTRY OF UNITED STATES REGULATIONS ON GASOLINE CONSUMPTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister or any appropriate minister. With regard to the statement of President Ford that he intends to have discussions with the United States automobile industry concerning very substantial changes in gasoline consumption and presumably very substantial changes in re-tooling the structure of the whole industry, were there any consultations on the part of the United States with the government of Canada before this announcement was made or has there been any indication since then that the United States government will consult with the government of Canada about the very serious implications this might have for Canada in view of the U.S.-Canada automobile pact?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, Ambassador Eberle described some of the conservation measures in terms of the consumption of oil which will require a re-scheduling of tooling of the American industry in order to increase the mileage to about 40 or 50 miles per gallon. That would require some response in engineering terms from the North American automobile industry. My understanding is that there was no prior consultation because President Ford was, in effect, presenting a budgetary measure. But Ambassador Eberle did assure us that there would be very close consultation with the automobile industry in North America as to phasing in all these measures.

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● (1500)

TRADE

POSSIBLE RENEGOTIATION OF ALL TRADE AGREEMENTS WITH UNITED STATES

Mr. Allan Lawrence (Northumberland-Durham): I wonder whether the ambassador, in his statement to the three Canadian ministers involved, indicated that not only would the auto pact be up for renegotiation very shortly but that all trade agreements between Canada and the United States would be looked at, and, if so, what was the reply?

Hon. John N. Turner (Minister of Finance): The discussion did not enter into that at all.

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[*Translation*]

ENVIRONMENTAL AFFAIRS

OTTAWA RIVER—DANGER TO SMALL BOATS FROM FLOATING LOGS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the Minister of Transport.

Since the movement of logs on the Ottawa River actually represents a public danger for pleasure boats, for instance, right from the source of the river downstream to Hawkesbury, and since the government already asked those companies involved to stop any movement of logs on that river, does the minister intend to take steps to force the Canadian International Paper Company and the E. B. Eddy Company to cease their operations on the Ottawa River?

Hon. Jean Marchand (Minister of Transport): I doubt very much, Mr. Speaker, that the Ottawa River would be part of what are called navigable waters under the federal act. In any case, I can inquire but the co-operation of the province involved and the Department of Environment would certainly be required to make it possible.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question. Did the minister discuss this with the Minister of the Environment and Quebec authorities?

Mr. Marchand (Langelier): There have not been any such discussions to my knowledge, Mr. Speaker. I might point out to the hon. member that there might be means of protecting the propellers on pleasure boats by having protection devices installed under the boats.

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MANPOWER

MONTREAL OFFICE—RESULTS OF INVESTIGATION INTO ALLEGED IRREGULAR ISSUANCE OF WORK PERMITS

Mr. Bernard Loiselle (Chambly): Mr. Speaker, I would like to ask a question of the Minister of Manpower and Immigration.

Can he advise the House of the results of the investigation into the charges laid by Mr. René Riel and his lawyer, Mr. Robert Dolman, alleging that certain employees at the Montreal Manpower Centre have committed irregularities regarding the issuance of work permits?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this investigation was carried out by Mr. Joseph Nuss, counsel for the commission of inquiry relating to the Department of Manpower and Immigration in Montreal. In brief, the investigation by Mr. Nuss completely exonerated the department of any wrongdoing and makes it very clear that Mr. Riel himself was guilty of numerous questionable and perhaps illegal acts. Mr. Nuss' report labels the accusations as unsubstantiated, unverified and false and it is my hope that irresponsible allegations such as this will not be permitted to reflect on the character and integrity of the people working in the department.

Some hon. Members: Hear, hear!

ENERGY

NUCLEAR REACTORS—SUGGESTED CHANGE IN EXPORT POLICY AS RELATED TO THIRD WORLD POWERS

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. First, though, I should like to congratulate him on his elevation to that post. I believe he will do a very good job for Canada. Following his speech at the United Nations, has the hon. gentleman been able to convince the government of which he is part to cease giving away and selling nuclear reactors to Third World powers?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I thank the hon. member for his words of congratulation and good wishes. In reply to his question, I have not been able to convince my colleagues because I have not attempted to change the export policy which has been followed by the government up to the present time.

Mr. Horner: In the minister's capacity as our spokesman for external affairs, does he not feel his words would carry more weight if we were to do what we say should be done? Does he not feel that Canada will be judged by her actions rather than by her words?

Mr. MacEachen: Yes, Mr. Speaker, and I believe that the policies which have been put forward by Canada speak quite loudly and that the assurances which Canada seeks from those nations receiving its nuclear equipment are in line with international safeguards and, in some cases, even more rigid.

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WILDLIFE

POLAR BEARS—REQUEST FOR PROTECTIVE MEASURES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a question for the Prime Minister. In view of the continuous, wholesale and unrestrained bloody slaughter of polar bears, may I ask when the government intends to put forward a policy concerning the preservation of this native fauna?

Right Hon. P. E. Trudeau (Prime Minister): I have not looked into this matter recently but I will certainly discuss it with the minister responsible and make sure the House is made aware of any developments in this area.

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POST OFFICE

REMOVAL OF WORD "ROYAL" FROM TRUCKS AND "ER II" FROM MAIL BOXES

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I wonder if I might have the indulgence of the House in order to clarify a matter which was the subject of an exchange between myself and the right hon. member for Prince Albert a few moments ago.

Some hon. Members: Agreed.

An hon. Member: No!

Mr. Diefenbaker: If you give me an opportunity to reply.

Mr. Speaker: I think we should hear the clarification first, and then see what happens.

Mr. Trudeau: I can assure the right hon. gentleman that he does not need my permission to reply. He always seems to take that authority on himself.

Mr. Diefenbaker: Freedom is finally restored to the House!

Mr. Trudeau: The information I have is that one must look at two areas; first, the trucks serving the Post Office and, second, the postal boxes. As far as the trucks are concerned, the policy of the government is to ensure that the words "Canada Post—Poste Canada", the words "Royal Mail—Poste Royale" and the coat of arms appear on all the trucks. So it is not a question of the government taking off "Royal Mail". On the contrary, the policy is that all trucks should bear these words.

Insofar as the postal boxes are concerned, Mr. Speaker, the government has never taken the words "Royal Mail" off them for the simple reason that those words were never on the boxes.

Some hon. Members: Oh, oh!

Mr. Trudeau: I am told that the administration has looked mightily into this question and has found no trace of the words "Royal Mail" on the boxes, under either Liberal or Conservative administrations. However, the insignia "ER II" which did appear on many boxes in the 'fifties were ordered removed in the early 'sixties by the government of the right hon. gentleman.

Some hon. Members: Oh, oh!

Mr. Speaker: And now for the clarification of the clarification.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I don't know where the Prime Minister secured that *ex parte* statement I simply repeat what I said a while ago that in the statement he made earlier the truth could not have been more truthfully stated in the reverse.

Some hon. Members: Oh, oh!

An hon. Member: Explain!

Mr. Diefenbaker: I would simply add this. All across this country he said the same thing when I mentioned the removal of "Royal Canadian" or the "RCM" because he wanted to get rid of the "Royal". I also point out that in nineteen hundred—

An hon. Member: And two.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: In 1967, at the Liberal meeting in Montreal a resolution was brought before that meeting to abolish the Queen. It was passed with two members of the

present cabinet voting for it, the hon. gentleman opposite, the Minister of Communications (Mr. Pelletier), and the Minister of Transport (Mr. Marchand). When the Prime Minister was asked whether he was going to vote, or why he did not vote, he said: "I didn't vote because it was of no consequence to me; I regard the Queen as of less importance than skiing or even snowshoeing".

● (1510)

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May I make a further appeal before life becomes more complicated. Before we go to orders of the day, the President of the Treasury Board has been seeking the floor to answer a question that was asked of him yesterday, and it might be better to transport ourselves into orders of the day on a less controversial note.

* * *

[*Translation*]

LABOUR CONDITIONS

FINKELMAN REPORT—STATEMENT BY MINISTER CONCERNING REFERENCE TO COMMITTEE

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, yesterday the hon. member for High Park-Humber Valley asked a question in my absence. I should like to inform him now that the Finkelman report will be considered by a special committee of the House. The President of the Privy Council has introduced a motion to form such a committee to deal with this matter. After due consideration by the committee, a bill will be introduced during this session as it has been announced in the Speech from the Throne.

[*English*]

Mr. Speaker: Orders of the day.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Friday, October 4, consideration of the motion of Mr. Louis Duclos for an address to His Excellency the Administrator of the Government of Canada in reply to his speech at the opening of the session, and the amendment thereto of Mr. Stanfield (p. 42).

Mr. Speaker: The hon. Minister of Finance.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. In recognizing the minister I had overlooked the fact that at the conclusion of the debate last Friday the hon. member for Grenville-Carleton had the floor.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I want to thank you for recognizing me and to say that I, too, look forward to hearing the Minister of Finance (Mr. Turner) fill in the holes in the Speech from the Throne which we are now considering. I think the Speech from the Throne and the contribution to this debate made by the Prime Minister (Mr. Trudeau) were empty of matters that are of importance to Canadians of all ages and in all parts of the country.

Before embarking on my speech I want to join my colleagues on all sides of this House in congratulating Your Honour on attaining your high office. The hon. member for Hamilton West (Mr. Alexander) yesterday mentioned some of the advantages of that office. I hope none of us forgets that there are some singular disadvantages to that office, and in our deliberations in the days ahead in this House all of us join in wishing Your Honour every success.

I should also like to congratulate the mover and seconder of the Address in Reply. This is a great honour given to new parliamentarians, and I suggest to you, sir, that they carried out their task with dignity, in a manner that was a credit to them and to the constituencies and people they represent in this House. For those two young members it was an auspicious beginning to their parliamentary careers.

I mentioned that the Speech from the Throne was noticeably deficient in terms of the great issues facing this country, the priorities that ought to face the government, and answers to questions that are being asked by the people of Canada. The Prime Minister in his speech—I say this with respect—adopted as his theme those issues that do not in any way meet the economic priorities of Canada.

Today we received the cost-price index figures for the country, and although those figures show a slower monthly rate of increase than the rate of increase in August, this deceleration in price must be taken in context with the fact that over the past 15 years 60 per cent of the September figures compared with August have, either, shown declines in the cost-price index, or no movement at all. So this slightly reduced monthly increase in the cost-price index cannot be any real comfort to Canadians who are looking for some reversal of the trend.

As a matter of fact, Mr. Speaker, these figures cannot be taken as any indication at all of the lessening of price pressures; but only as an unexpected seasonal factor. In looking at all these figures it is important to note that the goods classification in the index continues to increase at a greater rate than services. With anticipated stronger demand for wages we ought to expect greater impact on service areas than on goods, so that over the next little while we can look forward to a wave of inflationary pressure in Canada which we can expect to come from a different source within the index.

It is those matters to which the leader of the government did not address himself. On reading his speech, I suggest to you, Mr. Speaker, with respect, that his priorities are mixed and badly out of line with the basic needs of this country. Perhaps the Minister of Finance will do something this afternoon to bring those plans into line. I await the speech of the Minister of Finance with some anticipation, hoping that the dialogue that was referred to in the Speech from the Throne is going to have some reality, rather than being a mere word used as a substitute for action that is long overdue.

The Prime Minister dealt with reform of the rules of the House of Commons. I think the first priority is with respect to the reform of the attitude of the Prime Minister to the House of Commons. He dealt with the reform of the Senate, and suggested as one of those reforms that he was going to appoint Senators for seven years, their appointment being subject to renewal. Can you imagine any proposal, Mr. Speaker, that would make that body more servile than it is now?

The Prime Minister talked about the repatriation of the constitution. Aside from the fact that the word he uses is wrong, surely to heaven there are many more important things in the country at the present time than a consideration of that matter?

The people of this country are looking for some answers, Mr. Speaker. The public service of Canada, through the process of arbitration with one of 52 public service groups, has embarked upon the matter of indexing salaries. This may be good or bad; I do not know, and I do not have the information at hand to make a judgment. But I am appalled that the Minister of Finance, in a speech made outside this House, should indicate that there had been no study of the process of indexing of salaries and wages. That is one matter to which the government must address itself in view of the demands that are being made by people in the public service, as well as the private sector, who are hard pressed. Yet those answers are not forthcoming from the government, despite the fact that they were asked for during the 29th parliament. Instead, the Speech from the Throne dealt with things that in economic terms are not of immediate impact.

● (1520)

The Speech from the Throne, and particularly the Prime Minister's speech during this debate, dealt with the public service of this country in a way that it has not been dealt with before. I have spoken in this House, as has the Minister of Finance, and the hon. member for Ottawa West (Mr. Francis), in another parliament, about the difficulties of the public service in addressing itself to the problems that have been created by the implementation of the Official Languages Act. I am not going to repeat these things because they are on the records of this House, but this is the first time, in the Prime Minister's speech, and I want you to mark that, I have ever read or heard of the introduction of a quota system into the employment practices of the public service. I think that is a departure which will cause difficulty in the public service.

If there have been difficulties, and there have been some real ones, in the implementation of the policy in respect of official languages which resulted in misunderstandings, then it is my belief that these misunderstandings and these difficulties will be multiplied by what I regard as a change in the direction of the public service of Canada.

I would not say for one moment that the public service ought not to be a place where all Canadians can find a worth-while career and the opportunities for advancement; far from it. I have never said that before, and I would not say it today. However, I do not believe that this change in direction is healthy in any way, either in terms of the public service of Canada or in terms of the country as a whole.

As I looked over the annual report of the Public Service Commission, which has been delivered to members of parliament, I searched from end to end to see whether the merit principle is mentioned in respect of the public service and I could find nothing there. The merit principle as it has been understood in this country is a tattered remnant now, and I believe the public service and the people of the country will be poorer served as a result of this matter.

Other members during this debate have dealt with one other matter which I do not believe can be ignored in the context of our Canadian federalism, and that is the action of the province of Quebec in passing a bill known as Bill 22. I do not know of any statute or of any act that has been adopted by the government of Canada, or by any province, which has built within it a greater capability for creating division in the country. I do not say that with any joy; I say that as a matter of some considerable regret.

Many groups have commented on this bill. Perhaps the best comment made in respect of it was made by the Canadian Teachers' Federation, a group of concerned Canadians representing the educators of this country in all of its provinces and territories. That federation said:

> In either case, there are two sets of rights to be respected. The linguistic minority—French or English—has a right to protection against repressive acts. The linguistic majority—English or French—has a right to be protected against domination by the minority. To violate these rights is offensive to common fairness and the idea of democracy.
>
> One test of democracy, and of fairness, is whether parents have freedom to choose, for their children's schooling, the official language that they judge to be the more advantageous.

The statement went on to set forth the policy of that national organization and ended by saying the Canadian Teachers' Federation:

> —condemn oppressive measures, such as those sections of Quebec's Bill 22 which take the right of choice away from parents and put it in the hands of the bureaucrats of the French Language Board and the Quebec Civil Service.

I will not comment in this place on the way that was done in the provincial legislature, but I must say to you, Mr. Speaker, that the way it was done was a defeat for democracy in this country, and the denial of parental choice sets a deplorable and dangerous precedent for Canada.

The Prime Minister has defended his refusal to refer the Official Language Act of Quebec to the Supreme Court of Canada to test its constitutionality, and he has justified his refusal with an allegation that Quebec has treated its language minority better than other provinces have treated their language minorities in the past.

Even if that allegation were true, I would ask whether this is the answer that ought to be given by a political leader who assured parliament, the Canadian public and the governments of all provinces, that in accepting and implementing the Official Languages Act of Canada they had assured the unity of Canada so far as the French Canadians in provinces other than Quebec are concerned? Surely if the governments of those provinces have committed sins of language discrimination in the past, they are now absolved.

I should like to ask whether the Prime Minister's statement is historically correct. Have the other provinces not

treated their minorities as well as Quebec has in the past? Can the Prime Minister, reputed to be a constitutional authority, point to breaches by each and every one of the provinces, other than Quebec, of their constitutional duties under the British North America Act?

Putting these constitutional duties aside, and looking at the equity of the problem, can the Prime Minister name any province, other than Quebec and New Brunswick, in which 10 per cent or more of the population is French-speaking? The 10 per cent, I would remind him, is the definition of a French or English minority as contained in Canada's Official Languages Act. According to the 1971 census, other than New Brunswick and Quebec, Ontario and Manitoba have the highest percentage of persons whose mother tongue was French. Here the percentages are only 6 per cent and not 10 per cent. In the other provinces and the territories the percentage drops drastically. What is the formula of discrimination that the Prime Minister applies retroactively to these provinces in his broad and sweeping statement?

Considering these very low percentages, is the Prime Minister aware of certain other hard facts that have borne upon the actions of provincial governments other than Quebec in an effort to forge a nation out of colonies and a vast unsettled land, a greater land mass than all but one or two other nations of the world?

Is he aware that during this century of building, the immigration policy of the federal government attracted English-speaking and non-French-speaking immigrants to Canada? Is he aware that during confederation the bulk of Canada's trade, and Canada has grown great upon its trade, has been with the United Kingdom and with the United States of America, and that these are two English-speaking nations?

Is the Prime Minister aware that until very recent times only a small percentage of Canadians were able to enjoy an education that continued beyond grade school; but today, for some, education extends into university, professional schools, Harvard, the London School of Economics and the Sorbonne? Since the early 30's people were fortunate, in the world in which we live, in enjoying opportunities to learn that other people never had previously.

● (1530)

Is the Prime Minister aware that throughout the past years of confederation there have not been sufficient competent teachers of French to meet the requirements of the provinces, and that today there are not sufficient, including those imported at high salaries, despite the advantages of modern aids to language education?

Does the Prime Minister (Mr. Trudeau) not share the knowledge of his Secretary of State (Mr. Faulkner) that many provinces, including Quebec, could not afford to institute proper bilingual language instruction without massive federal aid? Is not this financial aid an admission by the Prime Minister's government that the language defects in the educational systems of the provinces are not deliberate discrimination against those who speak the French language? Surely these things must be obvious.

Does the Prime Minister, in steering Canada's foreign policy in a moralistic leftist direction, intend to castigate France for suppressing the language of the Basques and Alsatians, and to castigate England which only recently recognized the Welsh language in the courts after banning Welsh as a barbarous language by statute many centuries ago?

[Mr. Baker (Grenville-Carleton).]

What disturbs me about the situation, aside from the things he mentioned, is that the Prime Minister as a keeper of the constitution, such as it is, should wish to perpetuate the myth that there is something in the other provinces of this country which will not bear scrutiny. That myth ought to be exploded. It is in fact a myth, and ought to be called a myth before its repetition becomes a fact in this country.

I represent a constituency that is composed of an area called the national capital. It is a great creation. The people of this area are grateful to the people of the country at large for the contribution they have made to tax revenues here in respect of the development of this beautiful city. This city, as a result of what has happened, has a growing meaning to all Canadians, certainly to Canadians who live here and to Canadians who visit here.

I think as we embark, as the Speech from the Throne said, on a consideration of the "future of the national capital"—that is a pretty broad phrase—we ought not to forget there are two considerations—the creation of the national symbol which this city is supposed to be, and the continuation of the effort to make this city not only a satisfactory place in which to live, work or raise children, but also a satisfactory place for the residents of the area to participate in the government of this area.

I hope that when the committee is formed it will not be forgotten that certain instruments of local government are precious; that certain structures such as the municipal governments are those instruments which are closest to the people of this area. Now when we embark on a consideration of what our national capital is to be, and what the structure is to be, we should bear in mind the precious qualities of those instruments.

I wish to serve notice that in the consideration of the Fullerton Report which will shortly come before the House I, as a member representing part of this national capital area—and I hope I will be joined by other members representing it—intend to ensure that there will be no step taken that will make the governments of this region more remote than they are now from the people who live here.

I think it is important that we consider the operation of this national capital area in the future. But we must begin, I respectfully say, with a consideration of its past. There has been no review of the function of the National Capital Commission since, if I recall correctly, 1956. This Commission was established by the government of the right hon. member for Prince Albert (Mr. Diefenbaker).

During that period the Commission has become a major life force in this area. It is unfortunate but true that its relations with the local municipalities have not always been the best, or not always carried out with the most understanding. I think we must review this body to ensure that whatever errors were made from time to time they are not carried into any future form of government which may, or may not, come out of the considerations of the committee which is to be established.

We must listen to the provincial governments. I think they must be asked point blank what are their views. I refer not only to the province of Quebec and the province of Ontario, which have a direct interest, but to all provinces of the country whose people contribute to this capital.

I believe we must pay attention in this area to the community associations which are active in it. We must consider their views. I believe we must consider not just the Fullerton Report, which is a narrow issue, but also the whole series of studies that are being conducted now.

We must consider the matter of rapid transit and the position of the federal government with regard to it. We must consider the matter of open and green space. We must consider the preservation of our heritage, not just as an area but as a national capital. We must consider local needs in order to see how they mesh with others, and then provide, if we can, the machinery for the meshing. But at all times in this consideration we ought not to allow ourselves the luxury of believing that only a federally oriented and only a federally dominated agency can properly chart the course of the area.

There are plans now with regard to land use in the national capital area which are to be released. The regional municipality of Ottawa-Carleton just submitted its official plan to Queens Park, and there is a plan for downtown parking. I understand that plan is to be released later in the fall. We must study these things. We must also consider the study just instituted by the government of Ontario with regard to the changing functions of the regional municipality of Ottawa-Carleton. We must study as well the plans and consider the aspirations of the Outaouais region in the province of Quebec. We must consider all these matters to ensure that no stone is left unturned in respect of matters with which this committee will deal.

I do not know whether all the recommendations of the committee will ever be implemented. I really do not know that, but I know that whether they are implemented in whole or in part they will have a profound effect on the future of the national capital area. I suggest to the government, through you, Sir, that this is a matter which ought not to be proceeded with hastily, and that we ought not take second-hand opinions with regard to other national capital areas, but that there should be the fullest right and privilege to travel, to listen, to delegate, to see for ourselves so that we will not have to accept the reports of others, with the biases of those who will bring forward those reports.

As I say, I admit that the people of Canada make a great contribution to this area, but there must also be considered the wishes of the people who live here. It is important that those wishes not be lost in the rush to create a model national capital.

● (1540)

There is one other matter which I hope this committee will consider, and that is the whole matter of federal financing for local municipalities. I do not know of any subject that has caused greater difficulty in this country, and particularly in this area, than the dominant federal presence in the national capital area and in the municipalities that form part of this area. I think we should be prepared to look at new machinery to ensure that, in an area such as this, or in any other area where the federal government's institutions play an important part in local assessment, there is machinery to allow grants in lieu of taxes to be dealt with openly rather than behind closed doors, subject always to the provisions of the British North America Act.

Some time ago the mayor of the city of Ottawa went to see the Minister of Finance and came away from that meeting with $700,000. I do not know why that happened; I am sure it happened for the proper reasons. But I believe there should be machinery to ensure that all the local government parties, and all the municipalities, can fully and fairly examine in an open way the problems that they have with the large federal presence in this as any other area.

I look forward to this committee, not because it will bring change but because it will bring examination. I hope that this committee, when it deals with this matter, will balance the national interest with the great private and local interests that there are in this area as a place in which to live, so that perhaps out of it will come a proposal for something new with a strong mixture of the old but, most important, that whatever is proposed will be accepted not only to the country as a whole but to the people who live in the national capital.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, may I direct a question to the hon. member for Grenville-Carleton (Mr. Baker)?

The Acting Speaker (Mr. Laniel): The hon. member for Matane wishes to direct a question to the hon. member for Grenville-Carleton, but it cannot be done without the unanimous consent of the House. Does the House agree?

Some hon. Members: Agreed.

[*English*]

Mr. De Bané: According to the figures of the Public Service Commission the percentage of French speaking members in the public service has increased by over 1 per cent in the last six years. Does the hon. member think that this is a fast pace of increase and, if not, what would he suggest as a means of increasing the number of Francophones in the public service, provided of course that the merit system is preserved? Does the hon. member think that this increase of 1 per cent in six years is a very fast increase, and how can Francophones get a better deal in the public service?

Mr. Baker (Grenville-Carleton): I certainly would not consider the 1 per cent increase to which the hon. member referred as fast, to answer the question quite seriously, but I do not believe that the merit system will be preserved in any respect by the establishment of a quota, and that was the clear signal given by the Prime Minister in the course of his speech.

As I said in the course of my speech, I would like the public service of Canada to be a satisfying place of work for all Canadians, but I do not believe it will be that satisfying if the merit system is cast aside. I think it is

important that we and those in authority understand that in this country we cannot remake 107 years of history in five or ten years. I think that once we get that into our heads there will be a greater understanding with respect to the problem to which the hon. member referred.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I listened with great interest to what the hon. member for Grenville-Carleton (Mr. Baker) just said about the Official Languages Act, the structure of the national capital, and the relationship between the federal government and the city of Ottawa. I will deal with these matters on another occasion because I am constrained by the nature of my current speech touching on national economic issues. On another occasion I will deal with the hon. member's interpretation of the Prime Minister's (Mr. Trudeau) speech in the throne debate.

Through you, Mr. Speaker, I wish to transmit to the hon. member for Sudbury (Mr. Jerome), now Speaker of the House, my own personal congratulations. I was present in Sudbury the first time he stood for election, unsuccessfully as it turned out, in the by-election of 1967, and those of us who were close friends of his on both sides of the House watched him with great affection as he matured in his parliamentary skills. He has a very happy blend of energy and sensitivity; he has an innate sense of the mood of the House, and I want to congratulate him and extend to him my hopes for his success as the First Commoner in the country.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I want also to say to the mover and seconder of the Address in Reply that I thought they maintained the high standard set in recent years for those two traditional speeches, and that they launched this new parliament in high style.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): What I want to do today is bring the House into my confidence at this stage. Of course I will be presenting a budget for the current fiscal year before mid November subject, as I said earlier, to consultations which I will have with the Prime Minister and the House leader, so that to a certain extent this will be an interim report on the economy, and a summary of my impressions as they now stand.

In the budget I intend to provide a broad, comprehensive review of the state of the Canadian economy and of our future prospects as Canadians, to the extent that those prospects can be determined in a very uncertain world. I believe that never before, certainly in the post war period, has it been so essential to take account of the very real difficulties and dangers confronting the international community in formulating our own economic policies here in Canada.

Events of the past years underline the extent to which the economies of all nations, strong and weak, developed and developing, have become intertwined and interlocked, and this situation has particularly critical implications for Canada which, as a world trader, exports 50 per cent of everything we produce. We import nearly one third of everything we consume, and we have capital flows constantly across our border running each year into billions of dollars. Given this high degree of interdependence, there is just no way in which we in this country can magically isolate ourselves from developments abroad.

● (1550)

[*Translation*]

In terms of the performance of the Canadian economy, I must first say, to maintain a certain balance and to put it in perspective, that in spite of its vulnerability to events taking place outside the country, the Canadian economy has fared, up to now, relatively better than the economy of other countries.

I see the hon. leader of the opposition (Mr. Stanfield) is smiling slightly, but he has admitted, somewhat too late, but still, to this fact in his remarks during this debate.

Our real growth in 1973 has been surpassed only by that of Japan and, this year, chances are that it will be much better than that of any other industrialized country.

In the second quarter, real gross national product had increased by 4.8 per cent compared with that of a year ago and a decrease of more than 1 per cent in the U.S.A. over the same period.

The rate of increase in employment has been strictly the same: 420,000 new jobs were created in addition to those of the previous year, representing a 4.8 per cent increase. The seasonally adjusted rate of unemployment has risen considerably reaching 5.8 per cent. As indicated by Statistics Canada, this rate will probably be reduced after study, when all the figures for the year are available and conclusions can be drawn on what changes have occurred in the seasonal labour market in the last few years.

The real disposable income *per capita,* that is personal income after direct taxes, including social security benefits but excluding the effects of inflation, has gone up by 6.3 per cent in Canada in the first six months of 1974, as compared with the same period in 1973 and a 2.1 per cent drop in the U.S.A.

We have generally noted that the economy rests on considerable underlying forces despite the weaknesses in some sectors. Many enterprises have reached the limits of their production capacity while others have been held back by the lack of labour, materials and components. Consumer spending has kept on being of considerable support. The expansion has been fueled by the rapid climb of capital investments.

An investigation made during the middle of the year, in the month of July, on public and private investments in Canada, has recently allowed the initial forecast of the total amount of capital to be spent to be increased from 16 to 21 per cent and that of business investments from 19 to 25 per cent. Even if part of this increase was caused by an increase in costs, the sums involved are certainly still showing that capital investments are rapidly increasing.

[*English*]

Having said this, I must say frankly to the House that there is no room for complacency or smug satisfaction over the relatively strong performance of the Canadian economy. I have never tried to disguise, either from the Canadian people or the House, the fact that we face an era of real and potential difficulties. My point is this: these

difficulties should not be minimized, but neither should they be exaggerated. Global inflation remains the most critical human and economic problem confronting us, raising social and political tensions in many countries, and jeopardizing the stability of the international economic and financial system.

Inflation strains every family budget in Canada. Some families are suffering what I believe to be undue hardship. It is small comfort that the increase in Canadian consumer prices has been lower than that in most other industrial nations; small comfort that the interest rate has risen moderately less in Canada than abroad as a result of international inflation and uncertainty.

I ought to recite to the House that the August increase in Canadian prices over those of one year ago of 10.8 per cent compares with an increase of 11.2 per cent in the United States for the same period, and with an average increase in all OECE countries of 13.4 per cent. The August over August last year cost increase in Canada of 10.8 per cent now becomes the 10.9 September over September increase, as announced today.

Personally I confess to the House that I am immensely disturbed by double-digit inflation in this country. This remains the first priority of the department I represent and of the government to which I belong. We must face the fact that the prospect foreseen earlier by many countries, by this country and by OECE countries, for bringing world inflation under some degree of control this year has been set back for a number of reasons which have become apparent over the past few months.

First, there is the outlook for reduced crops in Canada and the United States. We were talking yesterday about a reduction of between 25 and 30 per cent in the U.S. corn crop. The United States soybean crop has been slashed. The sugar crop is down. The potential for crops in Canada is reduced, and there will be less than bumper crops in the Soviet Union. These factors have clouded earlier hopes that abundant harvests would lead to a levelling out in food prices.

Second, the prices of industrial raw materials, or so-called commodity prices, have declined less than generally expected in response to a flattening out in world economic growth. Thus they have provided less of a brake on inflation than any country anticipated.

Third, rapidly accelerating wage and salary increases in Canada and most other countries threaten to bring about substantial cost increases over the next two or three years. I recognize this. These are the result of the understandable efforts of working men and women, in this country and other countries, to catch up with the rising cost of living. None the less, some of the increases based on an anticipated continuation of the present rate of inflation will provide some inflationary pressures of their own. As I said in Vancouver, there is something to be said for cost of living indicators, because they respond to conditions which, hopefully, will subside.

Certain sectors of our economy undoubtedly are being adversely affected by developments abroad. Over the first eight months of this year the value of Canadian exports was up by 23 per cent over the level one year ago, but volume was down by 5 per cent over that of one year ago, resulting in weakness in some export industries because of slow or declining growth in some of our major markets abroad. The high level of interest rates has unquestionably been an important factor, although only one of many, leading to a decline recently in the previous very high rate of new housing starts.

The lumber industry has been adversely affected by the recent slowdown in Canadian house construction, but mainly by the reduction in the very large U.S. market as a result of the very sharp decline, even flattening out, in housing construction in that country. This has been compounded by the falling off in our other important markets for lumber in the U.K. and Japan. The economies of both these countries have been in a negative posture for the first half of 1974.

There is no question that the economy has been seriously affected in recent months, particularly by widespread industrial strife between labour and management over new collective agreements. The result has been the record of 6.3 million man days of lost production in the first seven months of this year. This, inevitably, is retarding the growth of production, employment and incomes. The construction industry in many parts of the country was particularly hard hit.

Another factor to be considered is the fourfold increase in world oil prices. This continues to be immense concern here and elsewhere. It remains a major source of inflationary pressure as this cost increase works its way through the economic system of various countries. Is this demand-pull, cost-push, or a structural change not responsive to ordinary economic forces? This is something we will need to deal with, perhaps in a deliberate micro-economic rather than macro-economic fashion.

● (1600)

The resulting increase in current account deficit of both developed and developing nations, together with cumulative debt charges, creates massive balance of payments problems that jeopardize the international monetary system and international financial institutions unless fair and efficient means can be worked out to recycle funds from oil producers to oil consumers on terms they can afford to bear.

That is a problem for the industrial world, but it is an even more serious problem for the developing world where we potentially have a catastrophic situation, because of the price of food, fertilizer, oil and manufactured goods. This is now out of reach for two thirds of the world's population, and will remain that way unless we and other nations do something about it.

Finally, we face the potential danger of over-kill, of excessively restrictive action being taken by individual nations in an effort to curb inflation and/or to deal with their balance of payment problems. If this restrictive action were being taken by a number of nations, particularly the larger ones, it could have a cumulative effect that could snowball into a world-wide recession. I take some encouragement from President Ford's statement yesterday to the United States Congress in the sense that it is clear the United States will not engineer a deliberate deflationary demand policy.

[*Translation*]

It is becoming more and more clear that in a world of interdependent nations caught up in a series of serious and highly related problems whose origins and consequences are basically universal, the best line of defence still lies in co-operation by, and the banding together of, all peoples. The government of Canada wants to play its role to the fullest by participating in the implementation of the type of international consultation and understanding that are essential to solve these problems.

We have talked about private discussions held in September between Ministers of Finance from the United States, Great Britain, France and Germany. We took part in a meeting of Commonwealth Ministers of Finance in Ottawa about two weeks ago. We took part in the annual meeting of the IMF and the World Bank held last week in Washington, which gave us the opportunity to have some more private discussions.

I would like to tell the House that I had private discussions in Washington with the Ministers of Finance of Japan, Sweden, Australia, Belgium, Holland and Italy.

Mr. Stanfield: That is a lot of talk.

Mr. Turner (Ottawa-Carleton): That is a lot of talk, says the Leader of the Opposition. I must reply that without any consultation, without continuous dialogue, I would fear for the future of the world. Consultation and dialogue are important.

These discussions and meetings provided these countries with the opportunity to explain their views about world problems. Second, this allowed us to obtain a first hand account of their economic policy. Third, and most important perhaps, we were able to express the views of Canada on the international situation.

What views did I express on behalf of our country? First of all, I said that very close and continuous international consultation and cooperation are essential, and that Canada would rather have consultations than confrontations between countries.

Today, the ills of national economies are contageous. Second, I emphasized the fact on behalf of Canada that Canadians believe that the best way to fight inflation is to implement measures to increase production and offer. Third, I underlined our concern about the measures implemented by various countries and which have provoked an excessive economic slowdown, since they tend to prevent the increase in offer which is required to stop inflation.

The high costs in terms of production and employment losses run the risk of producing few lasting advantages as concerns price slowdown, while increasing the danger of a cumulative slowdown in the economic growth of all countries.

Fourth, I have pointed out the necessity of stricter control over the movements of international capital and the eventual need of a new international mechanism to facilitate the reinvestment of oil capital, especially in order to settle special difficulties met by under-developed countries.

Fifth, I underlined the importance of carrying out within GATT, the negotiations for a further liberalization of world trade. And we were encouraged last night, Mr. Speaker, by the assurances of His Excellency the Ambassador Mr. Eberle who stated that the American authorities greatly hoped that the Trade Reform Bill now under consideration in the U.S. Senate would finally be passed after much delay.

Sixth, I referred to the necessity of finding means to stabilize the price of essential products intended for underdeveloped countries and to increase progressively the transfer of real resources to those countries.

[*English*]

Finally, Mr. Speaker, Canada took the position that we ought to use the international institutions already in place, the strengthening of which all nations had laboured assiduously for over the past two years. We ought to use international institutions such as GATT, the World Bank, regional development banks and, particularly in the financial and monetary field, the International Monetary Fund.

It is for this reason the Group of 20 adopted a resolution, which was accepted by the board of governors of the International Monetary Fund, comprising about 150 countries in the world, to set up an interim committee of 20 ministers representing all the constituencies for which we vote, all countries in the free world, members of the International Monetary Fund. Parenthetically, I see no reason why invitations ought not to be extended into the eastern bloc, and beyond, in order that we have an all-embracing monetary situation.

In any event the new interim committee of 20 ministers will be an advisory committee to the fund. When the articles of amendment are changed, it will become the new executive board to the International Monetary Fund.

I think I should illustrate for the House the terms of reference of this committee. This committee is charged to keep under review, first, the way in which countries deal with surpluses and deficits in their balance of payments because of the effect it could have on other nations.

Second, we are charged with keeping under review the developments, that take place, or ought to take place in international liquidity in its various forms. No doubt as a result of the Viet Nam war and the Great Society being financed by borrowing instead of taxes, the international liquidity under American terms around the world held in various reserves, the Euro-market of another $150 billion and the over-liquidity of certain other nations, this has set in motion certain international inflationary effects which no individual nation alone can either regulate or combat.

Third, the committee should keep under review the over-all or global aspect of the transfer of real resources to developing countries, real resources in terms of their own standard of living.

● (1610)

The committee, under its terms of reference, will be available to deal with sudden disturbances which might threaten the world financial or economic system. It will also consider, as necessary, proposals by the excutive directors to amend the articles.

I should like to ask the House to bear with me while I describe to hon. members the way in which I envisage this committee functioning. I believe my views are shared by

the vast majority, if not by all, of the members of the Fund. First, we consider it to be a very important organ of the Fund. We believe it provides an opportunity to lend political support and decision to the work of the Fund. In other words, the Fund will no longer just be a group of economists or technocrats which each of the 20 constituencies, the countries of the world, send to regulate economic affairs.

We recognize that the difficulties facing the world are not purely economic—that political decisions have to be made which require the exercise of the political will of the world community as a whole, and of the nations which make up that community. So we are trying to give some political direction to the Fund through people who presumably can carry the governments they represent. I believe this committee will enable the Fund to play an even more significant role in world monetary and economic affairs.

I have approached this work with a sense of urgency. I believe the problems facing us are grave. I was very pleased with the discussion of the work program, and the laying of plans for two early meetings reveals that members of the committee share my feeling, and are determined to bring the necessary political will to bear on the issues. I hope the committee will not become bogged down in work which properly belongs to the economists, the technocrats or the executive directors. I hope the political committee will stick to the big issues which require discussion and decision.

At its first meeting last week, the committee recognized that the first problem to be tackled was that of recycling funds from countries in surplus to countries in deficit, to meet the balance of payments deficits which affect a good many of the European countries as well as other countries. Along with this, there is the even more serious problem of the deficit balances facing the countries of the Third World.

These matters will be taken up by the interim committee at its first and subsequent meetings. As a matter of fact, I tried to arrange a meeting before Christmas but because of various circumstances—the budgets to be prepared by finance ministers of European Common Market countries, and their annual meeting in mid-December—the meeting could only be arranged for mid-January.

Mr. Stanfield: May I be permitted to ask a question? What will be the agenda at this first meeting? What does the minister think will be accomplished? What progress is expected to be made?

Mr. Turner (Ottawa-Carleton): With regard to the recycling question, the staff of the Fund and the executive directors have been asked to review the availability of existing official and private institutions to recycle, in accordance with ordinary market forces, funds from surplus to deficit countries, and also to examine what other avenues, either by intervention at an international level through international institutions, or by governments on a bilateral level or within the economic community of Europe itself, should be explored. We expect propositions and options to be available for decision by January 15.

I do not under-estimate the difficulties, particularly in view of the attitude taken officially by the United States, and to some extent by Germany, toward the question of recycling. But I hope we shall be able to hold discussions which will lead to some conclusion.

Mr. Stanfield: We shall be watching these things.

Mr. Turner (Ottawa-Carleton): The hon. gentleman is entitled to watch. I can assure him I will do my best on behalf of this House.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): The second question concerns the quotas in the Fund—when they will be taken up and what those quotas are to be. A general review of the question of adjusting payments and balances, including the appropriateness of fiscal, monetary, trade and exchange policies on the basis of the IMF world economic review which will become public in December, is also to be carried out, also including developments in international liquidity and an examination of problems arising from the proposed amendments of the articles, and including the question of gold and the link between developmental assistance and the allocation of SDRS which will be the new primary reserve currency in the world.

I am sure all members followed with considerable interest, as I did, the course of discussions between representatives of all sectors of the United States at the series of conferences on outstanding economic problems held last month on the initiative of President Ford. Underlying most of these pre-summit, or mini-summit, and summit conferences south of the border was a widespread recognition that, although many of the difficulties confronting us are international in origin and impact, the state of the United States economy and the policies pursued by the United States government exert a dominant influence on the economies of the rest of the world.

This will come as no surprise to most Canadians who have been aware for generations that our own economy tends to move closely in step with that of our giant neighbour because of the many links between the two. What is surprising, perhaps, is that on balance our economy has significantly out-performed that of our neighbour over the past four or five years in terms of increased output and new jobs. Because the economies of Canada and the United States continue to be very closely linked in a multitude of ways it should be obvious to every Canadian that there still exist very real and practical limits to the extent to which we can expect to do better than the United States in terms of growth and inflation.

With respect to inflation this limitation was recently recognized in articles written for the Toronto *Star* by two of the world's foremost economists, Paul Samuelson of MIT, and John Kenneth Galbraith of Harvard, one of the best-known Canadian expatriates. Here is what Dr. Samuelson said:

> No jury of economic experts knows how to achieve full employment with stable prices. For Canada, solutions without the United States would be difficult, if not impossible.

Dr. Galbraith expressed the following view:

> The United States is the key factor in the control of inflation. Without American inflation under control, Canada can do almost nothing. You import so much from us, our high prices become yours.

Personally I believe there is more scope for better price performance in Canada than these two economists suggest, but their views do underline the fact that there are limits on how much better we can reasonably expect to do. On the other hand, we might remember that we could do considerably worse than the United States if we fail to follow sound policies in this country.

I do not want to give anyone the opportunity in this House to say of the Minister of Finance, "Turner is just throwing up his hands; he says it all depends on the United States." That is not what I am saying. I am saying we must recognize the limits within which we are working—that with the right policies we can do better, but that with the wrong policies we could do worse. What I am doing is this: I am recommitting the government and myself to combatting inflation as the number one issue before this parliament on the basis of the mandate given to us.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Penner): Order. I regret having to interrupt the hon. gentleman's speech but the time allotted to him in this debate has now expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Penner): He may, of course, continue with unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): I wish to thank the House for its courtesy and express regret that I was not able to participate in this debate last week as I had originally planned. As hon. members know, I was down in Washington. During his remarks at the opening of this debate, the Leader of the Opposition (Mr. Stanfield) castigated the government for failure, in his terms, to provide economic leadership. I found that charge difficult to reconcile with his own recognition in that very same speech that the Canadian economy has enjoyed relatively stronger real growth and less inflation than most other countries around the world.

Mr. Lambert (Edmonton West): No thanks to you!

Mr. Turner (Ottawa-Carleton): I note the Leader of the Opposition did not seek to explain why it was that Canada had experienced such success. Perhaps he attributed it all to good fortune.

Mr. Gilbert: It was God's will.

Mr. Turner (Ottawa-Carleton): I agree we have enjoyed a measure of good fortune in this country but I believe we in the government may also claim some measure of credit for good management and good leadership and, indeed, apparently this is what the Canadian people thought, on July 8.

Some hon. Members: Hear, hear!

An hon. Member: You didn't win. We lost.

[Mr. Turner (Ottawa-Carleton).]

Mr. Turner (Ottawa-Carleton): I am glad I am getting to this part only after my time had expired! The fact is that over a long period of time we have introduced a broader, more comprehensive series of policies and programs aimed at moderating inflation and alleviating its effects on those least able to defend themselves than virtually any other country, and we have done it in such a way as to maintain strong growth in national output, employment and real incomes.

• (1620)

Undoubtedly the most important conclusion to be drawn from the series of economic conferences called by President Ford is that despite the yearnings of some people, even some editorialists, to have it so, there is no simple, quick, easy way of wiping out the inflation that has become entrenched so deeply in countries all over the world. There is no simple answer. If there were an easy answer, the Leader of the Opposition might have thought of it, I might have thought of it; someone in this country might have thought of it: somebody in the United States might have thought of it. They had the greatest array of economists ever assembled under the klieg lights in the history of the American republic, but they did not come to any simple conclusion. No one in Japan has thought of it, and neither has anyone in Germany.

All I can say is that it is not surprising that these discussions south of the border produced many sharply conflicting views as to the best means of attacking the multiple problems confronting the United States and the rest of the world. The fact is that many of these problems are different in their nature and in their dimension than we or anybody else have faced before. But to the extent that a consensus did emerge it provided a considerable measure of support for the basic approach that we in this government have been following in this country for the last 24 months.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I would ask hon. members to get the transcripts of these conferences and read what the panorama of economic opinion from left to right was able to produce. I ask hon. members to try to work out a common denominator and to arrive at a consensus from what those economists were trying to say.

Let me just go through this consensus of opinion, Mr. Speaker. For example, there was broad agreement that every effort should be made to expand output and productivity, in part by encouraging greater capital investment, in order to get at the root of the inflation problem by increasing supply. That is what we did in the last Speech from the Throne for agriculture, and it is what we did two and a half years ago to increase the manufacturing component by means of tax incentives and reductions.

From what one can distill out of this economic opinion that was given to the President of the United States, there was a feeling that excessively restrictive fiscal and monetary policies should be avoided because they would retard the necessary expansion in the supply of goods and services. This would be very costly in terms of lost output, employment and incomes, and it would provide little lasting benefit in reducing inflationary pressures.

There was widespread agreement that the goal should be to bring about a gradual reduction in inflation through moderate policies, rather than to seek to bring it to a jarring halt by extreme measures. That is the policy that we have been adopting. As Walter Heller, a former chairman of the President's council of economic advisers, put it, the trick is to bring inflation to its knees without putting the economy flat on its back. That is exactly what we are trying to do, Mr. Speaker.

The third consensus that I was able to distill—and, as I say, I invite hon. members to go through the transcripts in the way that I have—was that measures should be adopted to lessen the burden of inflation on those of moderate income who are least able to protect themselves. Surely that is what we have done. Two successive budgets proposed tax reductions of $1.8 billion, compared to the tax reduction proposed by President Ford of $1.4 billion. If you take the component as 12 to one, that is the equivalent of a $150 million tax reduction in our terms.

What about the increase in old age pensions, the tripling of family allowances, as well as the indexing of family allowances? These we have done.

There was also a consensus that, price and wage controls having been tried and found wanting, an effort should be mounted to mobilize support from all sectors of the economy for a fair and reasonable sharing of national income in an effort both to prevent a spiralling of costs and prices and widespread industrial strife.

The budget that I put before the House last May, which was rejected by the Conservative party and the New Democratic Party—

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): —but reinstated by the Canadian people—

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Only in some parts of the country.

Mr. Turner (Ottawa-Carleton): —proposed a number of new measures to reinforce and complement those already put into effect. The Speech from the Throne delivered a week ago outlined a number of additional steps the government proposes to deal with the economic problems confronting us, steps that will be further developed in the new budget that I hope to put before the House before the middle of November, or earlier if that can be arranged. This budget will seek to chart the soundest course for the Canadian economy for the months ahead, based on the best possible assessment we can make of all the relevant factors from the widespread discussions that I have had with my counterparts in many of the provinces across Canada and in many countries around the world.

The Leader of the Opposition referred to the throne speech and to the consensus that was referred to therein. The throne speech does refer to discussions which other members of the government and I have been undertaking with representatives of other groups across the country. Their aim is to explore the possibility of developing a broad consensus among them on the sharing of national income that would provide a fair and reasonable balance between wages, prices and profits, while also permitting us to move toward greater price stability. Reaching such a consensus is, I believe, important to reinforce other policies which I have described on other occasions in this House and summarized today—fiscal, monetary and taxation—aimed at promoting continued economic growth while also gradually reducing inflationary pressures.

I have been accused, because of my travels abroad, of trying to get an assessment of what other countries are trying to do. Because I have travelled across the country to get provincial views on the same subject I have been accused of fishing for a policy. We have a fiscal policy which is known. We have a monetary policy which has been described on many occasions before the House. We have an exchange policy known to the members of the House; we have a trade policy known to members of the House. We have a supply policy, and a policy for increasing productive capacity in this country, which are known to the House and have been discussed on many occasions. We have a redistribution of incomes policy to protect those most hurt by inflation and least able to protect themselves.

What we are seeking here is a consensus as to what the reasonable balance ought to be in a free society between the various groups in the country and the division given to profits, wages, salaries, rents and so on. We have rejected a draconian squeeze in terms of a deliberately deflationary demand policy. In current circumstances the Canadian people have implicitly rejected price and wage controls.

I suggest to the House that a similar effort to reach a national consensus has also been launched in the United States, and in a different form in the United Kingdom, both of which have concluded, on the basis of hard experience, that compulsory price and income controls are not an answer in the circumstances that confront us at the present time. We have not entered into these discussions armed with firm and fast proposals. We are not seeking to impose a consensus; we are seeking to develop one. Our position on this aspect of our policy remains flexible and open to new ideas. I am sure that most members in this House and most of the Canadian people share my hope that those in other sectors of the economy will adopt a similar approach.

The problems confronting us, I believe, are too critical to allow us the luxury of grinding our own axe regardless of the cost to others, or of clinging unthinkingly to old shibboleths that have become irrelevant in today's very different world. I do not for a moment under-estimate the difficulties that we face in trying to arrive at some kind of co-operative effort to deal with inflation.

I appreciate the concern of working Canadians, who have fallen behind the rise in the cost of living, to catch up and maintain their standard of living, and their desire to obtain further improvements in living standards made possible by continued real growth of the Canadian economy. I appreciate the need for Canadian business to earn sufficient profits to provide a fair return to its shareholders, and to undertake the massive capital investment required in the interests of all Canadians to increase productive capacity so as to reduce inflationary pressures at their source, as well as to seize the great opportunities

that I believe are open to us as a nation over the next couple of decades, to expand employment and further increase the real incomes of every Canadian.

But, Mr. Speaker, there is a proper balance to be struck in the case of profits, just as there is in the case of wages and salaries. I think we should also remember that healthy profits are essential to fuel the expansion in productive capacity that is of such importance to our present and future economic welfare, particularly at a time when the disruption of security markets has substantially reduced funds from other sources to finance the heavy investment programs now under way.

We all know that it is difficult for any business to get money on the equity and bond markets in this country. We all know that business has been forced into the banking system, straining it. If it were not for retained earnings, particularly in the manufacturing and processing industries, the impetus now enjoyed by the Canadian economy, propelling it toward business expansion, would not be as strong as it is now.

● (1630)

One way or another a balance is going to be struck between such elements as wages, prices and profits. The question is whether the balance is going to be struck through a process of consensus and co-operation, or whether it will be worked out through the process of prolonged and bitter industrial strife and more inflationary pressures, developments which would clearly be contrary to the interests of the country.

There are some Canadians who still believe there is somehow a choice between high inflation and low unemployment or low inflation and high unemployment. Make no mistake about it, there is no such choice, no such trade-off. The ultimate consequences of inflation are poor economic performance. The real choice is between reasonable price stability with a high level of output and employment on the one hand, and on the other accelerating inflation, slow growth of output and employment, and extreme risk to the very fabric of our society.

Before concluding let me say that I agree completely with the Leader of the Opposition.

Mr. Stanfield: Oh, no!

Mr. Turner (Ottawa-Carleton): We are, as he put it, and I use his own words, "in a period of some sobering problems and we are in for more difficult days ahead". Where I disagree with him is in his implication that on that subject I have not been frank with the Canadian people. I said in my budget last May that "it is my conviction that the Canadian people want to know the facts, pleasant or unpleasant, and they ask only for a man's best judgment in meeting them."

Both in my last budget and on many other occasions I spelled out the facts as I saw them, whether they were pleasant or unpleasant. In a number of speeches recently I have been most candid in outlining the facts of the current economic situation, as I see it, to the point where some commentators have characterized my remarks as somber, gloomy and pessimistic.

[Mr. Turner (Ottawa-Carleton).]

I am none of those things. I believe we should face our problems realistically, neither minimizing them nor exaggerating them. I do not believe the world is inevitably heading for a depression. I believe that we can meet and overcome our problems. It is going to take a good deal of time, patience and a lot of persistence, and it will take some political courage.

As I said in a speech to the Canadian conference on banking in Montreal a few weeks ago, we have potent factors working in our favour. The very realization by virtually every country, expressed both personally and publicly down in Washington, that the world economy is in a fragile state and must be handled with considerable care, is a good starting point. I can tell you from the meetings of the Commonwealth finance ministers here in Ottawa, and meetings of the International Monetary Fund, that there is an acute awareness everywhere of the need for consultation and for collective action.

I think this awareness was reflected in the decision by President Ford to send Ambassador Eberle, his special representative for trade negotiations, to Ottawa yesterday as his first stop on a visit to a number of capitals to outline and explain domestic economic policy measures which the president submitted to Congress in an address that very afternoon.

We in the government very much appreciated the opportunity to discuss these measures, many of which parallel policies we have already introduced, with Mr. Eberle. Both the measures themselves, and the ambassador's round of discussions with other countries to explain them, indicate that the United States administration is sensitive about the potential impact of its policies on the rest of the world. It indicates that the United States is well aware of the need for consultation and co-operation, and that it is conscious of the necessity to avoid restrictive, beggar-thy-neighbour actions.

The approach adopted by the United States administration serves to strengthen my confidence that if this trend persists, and if we can achieve the same co-operation from the European Common Market and Japan to make the necessary commitments to the developing world in the name of humanity, we will be able to muster the essential element required to deal with the problems confronting us. This does not refer just to the economic ability, which is sometimes difficult to assess, but also to the political will of this country and many other nations to solve the problems that are essential and that are subject to human decision.

Let me say, as chairman of the new interim committee of ministers of the Fund, I hope I can play some part on behalf of this House and this country in mobilizing the necessary political will around the world, and I assure the House that I will do everything humanly possible to advance that cause.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I first take this opportunity to congratulate you on your appointment as Speaker of the House, and I also congratulate the Deputy Speaker and the Deputy Chairman of the committees of the whole. I also seize this

opportunity to congratulate the movers of the Address in reply whose speeches were a beautiful kick-off for the 30th Parliament.

Rest assured, Mr. Speaker, that throughout the sessions of this 30th Parliament you may rely on the help and cooperation of the member for Brome-Missisquoi.

Inflation is obviously our top priority economic problem, and in my opinion the government has to recognize its responsibilities and play an unequivocal part in this respect.

The President of the United States publicly put forward yesterday a definite and positive policy aimed at coping with inflation. But I, with several other hon. members, openly and simply ask: What are we Canadians doing?

[*English*]

This is about the 15th time I have heard the Minister of Finance (Mr. Turner) give us a classic economic lesson, telling us about the interdependence between international economies, about procedural structures of meetings, how difficult it is to combat inflation, and about all the economists meeting under the klieg lights. I agree that it is not an easy problem, but the government has been voted in to govern the country and not to make excuses.

It is all very well for ministers of finance to go to these international meetings and to tell us that this is an international problem, but let me draw an analogy. When we used to write exams the professor or the teacher, as the case may be, would often say that the problems were difficult, and we should solve the easy ones first—put your own house in order, then go on to the difficult ones and you might pass. If this government would only put its own house in order and assume its own responsibilities, vis-à-vis the leadership role in directing the fight against inflation, we might get somewhere.

The minister said it is becoming increasingly difficult for the private sector to finance industry. A superficial analysis of the situation underlines the fact that the difficulty rests squarely on the shoulders of the government because of bad policy in this regard. After a long summer holiday, after many cabinet meetings, and after the President of the United States takes a leadership role and tells the people of the United States what is going to be done to fight inflation in a relatively precise way, what do we get from the Minister of Finance today? I suggest we have heard a sort of grade one economic lecture telling us how difficult it is, a lecture that was probably written by some out of touch bureaucrat who does not know what is the situation.

● (1640)

I realize that perhaps because of tradition—and it might be an outmoded tradition—we will have to wait for the budget, but I tell the Minister of Finance that the Canadian people expected much more than the motherhood speech he gave us this afternoon.

In my brief remarks this afternoon I wish to underline some of the leadership roles I feel government should play. Rather than tell us what an impossible problem we have, or tell us about the international complexities involved, the government should tell us what we can do right here at home in Canada to fight inflation. What are some of the historical facts, and indeed not so long ago that we cannot remember them? In my view the rise in government spending involves not only the waste and duplication we see in respect of government programs. This is only one factor in inflation which is diminishing the economic freedom of Canadians.

Orthodox economists historically have held that a country which takes more than 35 per cent or 36 per cent of its gross national product for government is in trouble. I submit to this House that by these measurements Canada today is in deep trouble. Totalling up the expenditures of our three levels of government, municipal, provincial and federal, we see that now well over 40 per cent of our gross national product in Canada is directed toward public or government spending. It is my view that it is the spending example of the federal government, not labour dispute settlements, which has been the prime reason for domestic inflation.

What is the record? Since the government took power under the Prime Minister (Mr. Trudeau) in 1968 the federal government especially has shown absolutely no restraint. Federal government spending has increased 140 per cent in a little over six years. In 1968 the federal government cost every man, woman and child in Canada $590 a year. Today the federal government costs every man, woman and child over $1,300 a year.

This staggering increase has been from $12 billion in 1968 to $29 billion in 1974. What is worse is that this staggering increase of 140 per cent has not included one major new social or economic program thrust into the Canadian economy or society. The Minister of Finance alluded to the reason I voted against the budget last spring. The budget of last spring, without including one new major social or economic program to benefit Canadians, represented an increase of 20 per cent in expenditures, not because of any new imaginative program but because of the waste, duplication and inefficiency of the government.

I have always liked to consider myself an activist but I find today that government duplication of spending is a major waste in this country. I believe the time has come for the government to set a sound example. The minister made his 40 minute speech. We gave him 20 extra minutes because we thought that he would get to the basic substance of matters, but all we received from him was a second economic lecture.

I believe the government should set a sound example by cutting expenditures, freezing the expansion of the bureaucracy, and eliminating waste and duplication in many areas. It is also my view that monetary policy must ease interest rates, and that the advantages from such a move should at times be directed to specific areas like the housing field. Also, increased production must be considered as a prime target for controlling current inflation. The minister spoke about the desirability of this so far as the government is concerned, but we need many more measures before the House if this is to become a fact in the future.

In my view Canada is one of the overtaxed and overgoverned countries in the free world. As a believer in free enterprise and in the ownership rights of individuals, I believe Ottawa and the provinces must immediately enact

a series of tax incentives to encourage private ownership of homes, businesses, equities and family farms. Only in this way can each of us have economic as well as political freedom.

An hon. Member: Beautiful.

Mr. Grafftey: I am glad the hon. member said "beautiful". I hope it also means he will prompt his government to take action. Let us get down to some basic points. What about government waste and duplication? I have already put some figures on the record this afternoon. I remember in my high school years being most impressed with the initiatives of the New Deal. Our economy and the economy of the western world at that time were faced with collapse.

Direct government intervention was required, whether by Canada or the United States, to save the system. However, too many of our politicians and senior bureaucrats have their hands on the levers of power today, and as a result we have what I call the old fashioned new deal mentality which has just come before Parliament, that so long as your hand is in the right place the problem will be solved automatically I tell the President of the Treasury Board (Mr. Chrétien) and the Minister of Finance that that is not how things work these days.

To be precise about it let us analyze in Canada exactly what is going on. If I should criticize any good program let no member say I am not for it in principle. I am for it in principle but I am in favour of it being well and efficiently run. We might take the case of the Unemployment Insurance Commission.

[*Translation*]

Mr. Speaker, every year, as do several other hon. members in this House, I fully support the major guidelines concerning unemployment insurance in Canada but what I want to criticize is the current mismanagement of the Unemployment Insurance Commission.

As long as we do not have a link in the true sense of the word between unemployment offices and those of the Unemployment Insurance Commission there will be a conflict. How can the unemployment insurance offices know whether somebody is actually available for work? This is not a political issue because that is the way it is in my riding, and I suppose also in several other ridings throughout Canada. Several unemployed who are perfectly entitled to unemployment insurance benefits must wait one, two, three or even four months before getting them.

Mr. Speaker, I support the principle of unemployment insurance as such but because of mismanagement I see a waste of about $1 billion a year at the expense of Canadian taxpayers.

● (1650)

[*English*]

What about the administration of medicare? Again I am for the principle, but what do we have in Canada? Do not think for one minute that we have state medicine in the truest sense of the word. The Minister of National Health and Welfare (Mr. Lalonde) can talk until he is blue in the face about bringing down the galloping inflation in medical care services, but until the fundamental principles are changed it is useless to talk about it with the provinces.

[Mr. Grafftey.]

The only thing we are doing with medicare today is voting income supplements to go into people's pockets because services and personnel are very often not available. Let us suppose we were all in a town council and we passed a decree that everybody should receive free bread. However, no one in the town hall picked up the telephone to call the baker and tell him there would be a push for more bread, and that he should produce more. This is just what we did with medicare.

By forcing the provinces into a system that consists of income supplementation payments from a government which refuses to change and update the personnel and rationalize the services of medicare, we are wasting $2 billion a year on the bad administration of this program in conjunction with the provinces.

What about food programs? I am not an economist, but four or five years ago the government spent millions and millions of dollars, on milk quotas, or convincing farmers to stop producing wheat. Following this kind of ill timed intervention which has created artificial shortages or artificial surpluses, as the case may be, the government is spending $1 billion a year on agricultural programs. Because of the government's past intervention it is now forced to provide incentives for production in agriculture at another cost of millions and millions of dollars to the taxpayer.

The problem is that the waste and duplication in the present programs are denying money for the government to enter into needed new programs in the months and years ahead. I refer to programs in the area of housing, environment, transportation, urban planning, medical and health care services, to name a few. I know that it is often erroneous to make a comparison with Sweden, but Sweden, a country that is supposed to be the jewel of the socialist world, spends only 36 per cent of its gross national product on government, while we, who say we have a free enterprise system, spend close to 44 per cent.

The programs run by the state in Sweden are well run. The reason for the waste and duplication in so many of our welfare programs is that they are neither fish nor fowl because our government is always compromising, sometimes with the NDP, and our programs are half free enterprise and half socialist. So, we end up getting the worst of both worlds with a phenomenal waste of good money to the Canadian taxpayer.

Unless the minister puts incentives into his next budget that will give the private sector a viable enough base, whether in industry or in individual property rights, he will not succeed in getting the private sector to generate enough tax dollars even to finance the solution of problems which we face at present. So I hope that the next time the Minister of Finance comes before this House we will not get the same freshman's economics or history lecture. I hope he will get down to some facts and precise measures whereby the government will accept its responsibilities and provide an example of how we can control domestic inflation, instead of always saying that because everybody else is flunking we are also flunking.

On the assumption that I have about two minutes left, Mr. Speaker, I should like to end by simply saying I have a friend in Ottawa who works in the Post Office Department. I do not want anyone to interpret what I am saying

as an attack on my part on the bureaucracy. We have many good civil servants in this country. But my friend tells me that there are 60 people in his department, 40 of whom do nothing day in and day out, absolutely nothing.

Many people in private life who have come up to this capital city on various projects have come to me and said: "Heward, the bureaucracy has become so big and so insensitive, we don't think any government can change its direction". If in effect there are doctrinal differences between us and the party across the floor of the House, if we differ regarding many principles and regarding the way society should be directed or not directed, as the case may be, let us at least stand united in this House on one thing.

I do not think it necessarily takes a Watergate to unite us in the way in which the U.S. Congress finally found its new supremacy, but I think we will all be serving Canada well, the Liberals, the Social Creditors, the Progressive Conservatives and the NDP'ers, if, during this parliament, and starting right now, we assert in a constructive and positive way the traditional rights of this House in terms of leading and directing the country.

It is not good enough for the Minister of Finance to appear before us and to give us a speech which was probably hastily written by someone way down in the bureaucracy. If we are going to earn our keep in this House we will have to deal with the broad issues and re-assert our prerogatives. By doing that, we will be serving Canada well. I thank Members of the House for the attention they have accorded my remarks this afternoon.

Mr. Frank Maine (Wellington): Mr. Speaker, I wish to begin by extending to the hon. member for Sudbury (Mr. Jerome) and to his assistants, including yourself, my sincere best wishes.

This is also a good opportunity for me to express my thanks to the Leader of the Opposition (Mr. Stanfield) and his party for their help on two occasions. The first was during the election when they helped me obtain the largest voting turnaround in the country. The second was last Wednesday when the Leader of the Opposition mentioned science policy and his concern about the lack of one. It was my concern, as well as that of my fellow scientists, for an effective science policy that was very instrumental in my decision to seek election to this House.

My major objective is to take whatever steps I am able to give the scientific community in Canada a more effective voice. As a scientist I am one of a rare breed in parliament. Scientists are often characterized as being heartless, unemotional and unappreciative of human values. I should like to state emphatically that I do not consider myself to be in this category. Perhaps my views on the subject of women's rights are best illustrated by my support of measures to extend the benefits of the Canada Pension Plan to housewives.

Some hon. Members: Hear, hear!

Mr. Maine: We are entering an era of uncertainty and scarcity. Although we are still enjoying prosperous times, there can be no doubt that there is great concern among most people for the immediate future. While the prophets of doom have rarely had a more receptive audience, I for one remain optimistic concerning Canada's potential for future economic growth.

● (1700)

It is important, though, that our course of development be carefully charted so as to keep it orderly and working in the best interests of Canadians. I propose to consider the situation from the area in which I, as a scientist, have the most competence, and that is the technical aspect.

Canada's future depends on the harnessing of its technology and the control of that technology by Canadians. We must take stock of our resources and channel our energies into making those resources work to the fullest advantage of Canadians.

We have still not, and cannot in the foreseeable future, become free of our role as wood cutters and water boys, but we can take steps to encourage the processing of a larger percentage of our natural resources within our borders. Obvious problems arise with respect to providing financial aid and direction, and although government may not be fond of assuming responsibility for either of these roles, especially during a period of fiscal restraint, there is little doubt that it must. An intelligent utilization of our resources will be advantageous to all Canadians, and the long term economic and social benefits will justify the initial expenditures involved.

Clearly more than an input of public money is necessary if we are to tackle the problem successfully. Mere incentive programs are not the answer. We must choose those industries in which we can be particularly competitive on the world market, and direct our efforts towards expanding their productivity. Please bear in mind that I am advocating a more intensive use of present resources and not the wholesale exploitation of our natural wealth. To accomplish this, rather drastic, or, at least, ambitious measures must be taken.

We in Canada have never become totally free of the National Policy which encouraged our earliest manufacturing industries through tariffs which, in effect, made Canada a captive market. It is essential that we now look increasingly at the whole world as our market. If we are to be competitive with other countries producing similar products, we must take full advantage of the economies of production which are possible through world scale sized plants. Instead of exporting crude oil, we should be concentrating on increased petroleum refinement and the production of such commodities as high technology content plastics and other petroleum derivatives. A program such as this would make jobs available for Canadians, and I would stress that delay in instituting this type of development could have unhappy consequences in the near future.

As we are committed to slowing down inflation there is always the danger that some jobs will have to be sacrificed. As the hon. member for Oshawa-Whitby (Mr. Broadbent) mentioned last week, it is not too soon to begin taking steps against future unemployment. We must beware of ad hoc solutions to inflation. Immediate results are our primary concern at this time, but I feel that we should remain cognizant of the long term problems we are facing.

I am proposing that we take out a type of national insurance policy which would entail diverting our petroleum supplies from energy uses to manufacturing industries, and thus safeguard the raw materials we will be needing in the future. This approach depends on our finding a substitute energy source for fossil fuels which, I am confident, will be done in the near future. Our oil and natural gas could then be directed towards the production of plastics. The term plastic has become a dirty word among environmentalists, but for Canada I am certain that plastics hold the key to our continuing prosperity.

Plastics have been attacked primarily because they are not generally thought to be bio-degradable. Canadian scientists have shown this not to be so. It has been proven that it is now commercially feasible to produce photosensitive plastic containers which will break down when exposed to sunlight for a controllable period of time. The environmental objection to plastics no longer applies.

Of more importance to Canada is the savings of energy which we would realize if glass and metal products could be largely replaced by plastic. There has been a singular reluctance on the part of the citizens of this country to realize that Canada has entered the age of synthetic polymers. By continually supporting the use of returnable glass beverage containers, conservationists are promoting a largely self-defeating policy. It requires 20 to 30 times the amount of energy to produce glass or aluminum containers as it does to manufacture a comparable plastic product. Therefore we may safely dismiss the complaints of those who would cut back on plastic production as a means of conserving our petroleum supplies.

Plastics are included in the group of polymeric materials which are rapidly changing our way of life. In the past five years the production of synthetic polymers such as plastics, fibres and elastomers has increased by 92 per cent, while steel and nonferrous metal production has grown by only 33 per cent, resulting in the present situation where the volume, measured in cubic feet, of synthetic polymers produced is greater than that of steel and other metals. I repeat, the volume of synthetic polymers produced is greater now than that of steel plus other metals.

Canada and the Soviet Union are the only countries in the world which are self-sufficient in their oil requirements. However, we must realize that this self-sufficiency does not constitute an oil surplus in Canada. If we discount the Alberta tar-sands, our petroleum reserves amount to less than 2 per cent of the world total. This can be dramatically illustrated when one considers that in 1973 the non-Communist world consumed 20 billion barrels of oil. That is approximately twice as much as all the discoveries made to date in Alberta. In other words, the world consumes an "Alberta of oil" every six months.

The demand for oil is growing at an enormous rate. The world has used more energy in the last 30 years than in all its previous history and, according to predictions, will use the same amount again in the next 15 years, that is, in half the time. We are now turning the bend in an exponential curve.

Ninety per cent of the world's energy growth in the past ten years has been supplied by petroleum and natural gas. Presently they supply 70 per cent of the world's energy requirements, and will continue to provide the bulk of the energy demanded in the foreseeable future. With this rapidly escalating use of oil for energy, we must take steps to ensure that Canada has sufficient supplies of petroleum to permit a massive expansion in the synthetic polymer manufacturing industries.

We presently supply only 6 per cent of the United States oil requirements, and can never expect to be a major oil exporting nation. That is why I would like to see a change of attitude in this country, away from exporting petroleum for energy production and toward using it as perhaps our most abundant raw material for production of export products with a high value added factor.

● (1710)

This is the reason I oppose the application to export 10 billion pounds of ethylene to the United States in the next 10 years. I feel strongly that this ethylene should be upgraded to such products as ethylene oxide, ethylene glycol and polyethylene manufactured in world-scale sized plants in Canada and then exported.

Canada must become more self-sufficient in meeting its technology requirements. I feel that a more innovative research and development policy is in order. This fact is well known, and I mention it only to add one more voice in support of proposals to this effect by both the Senate Committee on Science Policy and the Science Council of Canada.

Senator Lamontagne has asserted that Canada's research and development expenditures amount to only 1.4 per cent of total sales, while in the United States they amount to 4 per cent of total sales. If we are to bring about a gradual end to our branch-plant economy and assure a greater independence for Canadian industry, this is an area in which changes must be made. This is the primary responsibility of industry and should not involve expenditures of public money. The innovative process, which covers the spectrum from research, through development to commercial implementation, is notably weak in the marketing area. The best research and development in the world is of no economic value if it does not result in commercial exploitation.

The recent visit by Premier Tanaka of Japan to this country served to underscore the importance and urgency of the point I have been making in this address. I also found Mr. Tanaka's visit interesting for more personal reasons. In 1971 I spent six weeks in Japan studying many aspects of that country's economy and culture. I came home deeply impressed by what I saw, and since then have repeatedly urged Canadians not just to gaze in awe at the accomplishments of the Japanese, but to attempt to apply solutions which have worked in Japan to Canadian problems.

Until now, with minor exceptions, Canada's economy has been the antithesis of Japan's. The increasing Japanese interest in Canada can work to our advantage, but not if we merely sit idly by. Certainly, we need foreign investment. However, we must ensure that any new investors become responsible partners in developing Canada's industrial potential.

I was pleased to learn of Mr. Tanaka's statement that Japan is looking forward to importing products of our

advanced technology. Perhaps this announcement will serve as the necessary catalyst which will encourage an increase in our output in highly technical fields. It is essential that potential market areas be satisfied as quickly as possible, and I hope that Canadian businessmen will move to fulfill Japan's requirements before our competitors do so.

To those who are familiar with my riding of Wellington, it might appear strange that I have spoken to such an extent on industrial strategy. My constituency is a sort of agrarian oasis in Ontario's industrial heartland. Guelph, its only major urban centre, is fortunate in having many secondary and manufacturing industries which provide jobs without threatening the environment to any great extent. Consequently Guelph has remained a prosperous and growing city, with one of the lowest rates of unemployment in Canada. Increasingly we are welcoming people from the Toronto-Hamilton region who wish to escape the undesirable aspects of urban living while retaining access to the amenities of city life.

This year the Ontario Agricultural College of the University of Guelph is celebrating its one hundredth anniversary. Despite the multitude of benefits to mankind which has come from research at this college during its existence, it appears that the next century will tax our agricultural scientistists' abilities to their limits. Just as I am hoping that science and techology can help us make the best use of our non-renewable resources, I see these areas as the answer to our future agricultural problems.

The world food shortage remains critical and there is little reason for optimism as we advance further into the seventies. The Ontario Agricultural College, which enjoys an international reputation, is in the forefront of this research into and development of new strains and varieties of plants and animals which will provide solutions to the future demands for food. A good example of agricultural research and development that will benefit Canadians in the future is the experimentation with hydroponics being carried out in Aberfoyle, just south of Guelph.

Hydroponics, honourable members may know, is a method of growing plants without using soil. Stones are used to support the plants in a climate controlled greenhouse, and these plants are fed with nutrient-containing water several times daily. While I can vouch for the excellent flavour of the produce, my real hope is that this system will help alleviate the serious food scarcity we now face. The economics are not the most attractive at present primarily due to heating fuel costs, but I see solutions to this problem in the future.

One such solution is the use of natural gas already existing underground on a farm. There are several farmers in south-western Ontario who have this potential advantage. Another benefit of growing food by hydroponics is that any land will suffice, and prime agricultural land is not needed. In this day of urban sprawl where prime land is being put under concrete, an alternate solution for food production is offered.

As I mentioned earlier, the next few years are going to be difficult times for all people. Although we in Canada can regard ourselves as being among the most fortunate inhabitants of this world, this is no time for smugness or feelings of self-satisfaction. The motto for the remainder of the seventies should be "co-operation on every level". There must be increased co-operation internationally, among our provinces, and between management and labour. It is time that self-interest gave way to genuine concern for one's fellowman. Let us endeavour to make Canada an example of this spirit for the rest of mankind to follow.

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, as I take my place in the House of Commons, my first words are of appreciation to my constituents who had the faith and confidence to have me represent them in this great House. May I also express words of appreciation to my mother, my father and the rest of my family, without whose support I would not be here.

As a newcomer to the House of Commons I came with enthusiasm, idealism and energy. As I anticipated the Speech from the Throne, I looked forward to a dynamic and visionary statement of Canada's direction and goals for the future. Unfortunately, I was disappointed.

For a moment this afternoon, I thought there was a ray of hope. I thought that some of the visionary world problems were being looked at by a minister of the Crown. I saw some hope as the Minister of Finance (Mr. Turner) began to speak. I listened attentively, but my new hope was dashed. It was dashed because the great white knight, the seeming new leader of the Liberal party, began to speak of his personal, international consultative exploits and his own self-inflated aggrandizement, as he told us that but for his great expeditions the world would collapse in economic confusion. I must say I began to have my doubts at that moment.

● (1720)

I hope the minister will soon learn that along with the great position of responsibility in which he has been placed should go some degree of humility. I was further disappointed with his speech because, as it continued on, what we heard represented little more than an itemization of shop-worn Liberal election promises, tedious rhetoric about the worsening economic situation internationally, and an admission by the government that it does not know what to do.

Mr. Turner (Ottawa-Carleton): You wrote that speech before you heard mine.

Mr. Wenman: What is he going to do? He is going to seek some kind of consensus. He is going to seek answers. I suggest the Canadian people have waited long enough. We are not waiting for the minister to seek answers. We are waiting for him to bring them to us, and bring them to us now.

We have heard talk from the government about new initiatives in foreign policy. Unfortunately we have not heard precisely what the nature of these new initiatives is likely to be. There have been announcements concerning expanded and aggressive participation in international affairs, particularly in the areas of world food aid and the non-proliferation of nuclear technology. No doubt, this is a commendable objective. However, one wonders whether such a thrust might not thin out even further an already inadequate voice in international affairs.

It is obvious, given the current international climate, especially in light of the situation facing our neighbour to the south, that Canada will have to put forth immediately a firm resource policy. A policy of drift—and this is all the government has produced—will simply not do in this time of crisis. It would seem to me that the full force and effort of the Department of External Affairs will be required to prepare us for dealing with our greatest friend and best customer, the United States.

Not only will there be tremendous pressure for extended export and participation in the Athabasca tarsands and other non-renewable resource areas, Canada must also be prepared to take a strong stand regarding the export of Canadian water—a stand which has not been heard in this chamber since it was initiated by my right hon. friend from Prince Albert (Mr. Diefenbaker).

Some hon. Members: Hear, hear!

Mr. Wenman: In the immediate future the tough, unbending negotiating stance of the OPEC countries will intensify the drive by the United States toward greater and greater self-sufficiency. In the final analysis, self-sufficieny in the United States in the area of energy resources will undoubtedly depend upon massive developments in the gasification of coal and the production of coal from desert shale. Thus the need for vast quantities of water. And it is in the direction of Canada that the United States government is looking for this water.

The government stand on the export of water needs to be rationalized and clarified forthwith. The more I have dug into this subject the more fearful I have become that secret negotiations are going on between the Liberal administration and the United States government for the export of Canadian water. Statements by high officials, U.S. and Canadian alike, lead to the conclusion that something is afoot.

The cabinet's apparent suppression of recent anti-water export statements by the former minister of the environment, the Hon. Jack Davis, as late as last spring, further heightens the suspicion that the government is likely moving in the disastrous direction of massive export and development of Canadian water. I have in my hand a document the contents of which were to have been delivered to the House of Commons by the former minister of the environment, Mr. Davis—a document which, curiously enough, was not delivered in this chamber. Since it strongly opposed the export of water we can only surmise it was not delivered because it advocated a position at odds with that being adopted by the government. I will read a few quotations from it.

I am going to read to hon. members opposite a few quotations from their friends, and they will be frightened by them. Who stopped this statement being made with regard to Canadian water resources, and why was it stopped? Why was it not issued in the House of Commons? Was it because of the stated position of the Prime Minister (Mr. Trudeau), who once said in a television interview: "I don't want to be a dog in the manger about this, but if people aren't going to use it, can't we sell it for good, hard cash?" Or was it the new President of the Privy Council (Mr. Sharp) who said, accordingly to *Time* Magazine: "Within 25 years we shall be exporting water to the United States." Or was it done by the minister, Mr. Davis himself, who was trying to jump back on the fence in time for political survival by repudiating a statement he had made earlier when he said:

> I want you to think of water schemes which are not only basin-wide, but possibly even continental in scope—the Rocky Mountains need no longer contain our thoughts—we can vault over them or tunnel through them and see what lies beyond; so we will be turning whole rivers around.

Mr. Macdonald (Rosedale): What is your evidence?

Mr. Wenman: I shall be pleased to send over a copy of the speech.

Mr. Macdonald (Rosedale): What evidence do you have of secret negotiations?

Mr. Wenman: I can see I have hit a sensitive nerve. The minister knows this is going on and he is concerned about it.

Mr. Macdonald (Rosedale): That is not the case.

Mr. Wenman: Well, was it the great ghost of Arthur Laing who said in an interview: "Diversion of Canadian water to the United States is not negotiable"?

Mr. Turner (Ottawa-Carleton): That was in 1964.

Mr. Wenman: "There is no such thing as a continental resource". And then, turning aside, Mr. Laing finished the interview in a supposedly confidential aside by saying:

> You should know for your own information that something like the North American water and power line, a major water diversion, is not only feasible but inevitable. We are establishing a bargaining position and the best bargaining position is, no.

Thus, the position of the Canadian government on the export of water becomes clearer.

Mr. Turner (Ottawa-Carleton): What is the date of that statement? Is it not 1964?

Mr. Wenman: If the ministers object so strongly are they going to stand up when I have finished and deny that water will be exported? I certainly hope they intend to do so. But if they say there is to be no export of water, are they just establishing a bargaining position? Will it really mean no? I see the minister is rising on a point of order.

Mr. Speaker: Order. I might remind hon. members that pursuant to Standing Order 38(4) all questions to decide the amendment have to be put at 5.30, which is only a minute or so away.

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Speaker. I hesitate to interrupt an hon. member during his maiden speech but the rules dictate that if he reads from a document he should table it, and some of us in this House would like to know the date of that particular document.

Mr. Diefenbaker: On that point of order, Mr. Speaker, it is an unwritten rule, followed at all times, that during a maiden speech there are no interruptions.

Some hon. Members: Hear, hear!

Mr. Wenman: I am getting to them! I am getting to members on the other side and I love getting to them. Will the new Minister of the Environment (Madam Sauvé) stand up and say that no water is to be exported? And, if so, is that to be taken as a real no, or is that no simply a further bargaining stance related to what has become an inevitable policy of exporting massive amounts of Canadian water to the United States, a policy which involves the flooding of millions of acres of Western Canada, the destruction of our precious environment and, worst of all, the establishment of an irreversible trend toward economic and political union with the United States? What has happened to the poetic but perhaps hypocritical words of the Prime Minister who said—

● (1730)

Mr. Speaker: Order. It being 5.30, pursuant to Standing Order 38(4) I must put the question necessary to dispose of any outstanding amendment at this time.

I might just say two things to the hon. member. First of all, his speech today being on the amendment, it may be he would wish to speak afresh tomorrow in that he would be speaking on the main motion if the amendment were disposed of this evening. In addition, I would also ask the hon. member to give some thought overnight to the point that was raised by the Minister of Finance (Mr. Turner), that having referred to a document it is customary to table the document. He might want to give consideration to that matter.

In any event, it being 5.30 it is my duty, pursuant to Standing Order 38(4), to interrupt these proceedings and forthwith put the question on any amendment now before the House.

The question is on the amendment moved by the Leader of the Opposition (Mr. Stanfield). All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed to the amendment will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

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

Division

● (1740)

(*Division No. 3*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Baker (Grenville-Carleton)
Baldwin
Bawden
Beatty
Beaudoin
Benjamin
Blackburn
Brewin
Brisco
Broadbent
Cadieu
Caouette (Villeneuve)
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Dick
Diefenbaker
Dinsdale
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Elzinga
Epp
Firth
Fortin
Friesen
Gilbert
Grafftey
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hnatyshyn
Hogan
Holmes
Horner
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Jones
Kempling
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Lawrence
Leggatt
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Malone
Marshall
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nystrom
Oberle
Orlikow
Paproski
Patterson
Reynolds
Ritchie
Roche
Rodriguez
Rondeau
Rynard
Saltsman
Schellenberger
Schumacher
Skoreyko
Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Symes
Towers
Wagner
Wenman
Whiteway
Wise
Woolliams
Yewchuk—103

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce)
Drury
Dubé
Duclos
Dupont
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Holt (Mrs.)
Hopkins
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacEachen
MacFarlane
MacGuigan
Mackasey
Maine

Division

Messrs.

Marceau	Pearsall	Roy (Laval)
Marchand (Langelier)	Pelletier (Hochelaga)	Sauvé (Mrs.)
Marchand (Kamloops-Cariboo)	Pelletier (Sherbrooke)	Sharp
Martin	Penner	Smith (Saint-Jean)
McIsaac	Philbrook	Stollery
McRae	Pinard	Tessier
Milne	Portelance	Trudeau
Morin (Mrs.)	Poulin	Trudel
Munro (Hamilton East)	Raines	Turner (London East)
Nicholson (Miss)	Reid	Turner (Ottawa-Carleton)
O'Connell	Richardson	Whelan
Olivier	Roberts	Yanakis
Ouellet	Robinson	Young—122
Parent	Rompkey	
	Rooney	

● (1750)

Mr. Speaker: I declare the amendment defeated.

Is the President of the Privy Council rising to indicate that the business for tomorrow would be the continuation of the Speech from the Throne?

Mr. Sharp: Mr. Speaker, it is the intention to proceed with the debate on the Address in Reply to the Speech from the Throne tomorrow. Depending upon progress in the Committee on Labour, Manpower and Immigration I will then make an announcement about the following day.

Mr. Speaker: It being six o'clock the House stands adjourned until eleven o'clock tomorrow morning.

At 6.00 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 10, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

LABOUR, MANPOWER AND IMMIGRATION

FIRST REPORT OF STANDING COMMITTEE

Mr. Peter Stollery (Spadina): Mr. Speaker, the Standing Committee on Labour, Manpower and Immigration has the honour to present its first report pursuant to its order of reference of Tuesday, October 8, 1974. Your Committee has considered Bill C-12, an Act to provide for the resumption of grain handling operations on the west coast of Canada, and has agreed to report it without amendment. I respectfully suggest that it be read today. A copy of the report and minutes of evidence Nos. 1 and 2 is tabled.

Some hon. Members: Hear, hear!

Mr. Speaker: Since the hon. member has already read the report in the course of his introduction, it will not be necessary to read it again.

* * *

BUSINESS OF THE HOUSE

PROCEDURE IN DEALING WITH BILL C-12 TO SETTLE GRAIN HANDLERS' DISPUTE

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, there have been some informal discussions going on about the bill dealing with the grain handlers' strike and I understand there is agreement in the House to make an order as follows: first, that Bill C-12, the grain handlers' bill, be considered at the report stage and third reading today when orders of the day are called; second, that any time taken up today for debate or division on the bill be added at the end of the debate on the Address, and, third, that today be regarded as the fifth appointed day of the debate on the Address but that if any further amendment is proposed during the debate on the Address the division on it shall be taken at 9.30 p.m. on Tuesday.

Mr. Lincoln M. Alexander (Hamilton West): With reference to Bill C-12, that which has been said by the House leader is certainly true, notwithstanding the appearance of the minister as acting as both judge and jury in the standing committee. Now the government has shown its course we want to co-operate and see to it that the bill is expeditiously passed. Therefore, we agree to waive any required notice in this regard to bring on third reading.

● (1110)

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I might add that the other elements of the proposed motion are acceptable to this party.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the motion presented by the government House leader does represent the result of discussions which have taken place. We are prepared to give it our unanimous support.

[*Translation*]

Mr. Fortin: Mr. Speaker, we also took part in this agreement and we still hold to it.

[*English*]

Mr. Speaker: The House has heard the terms of the order. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE AT ROME—SUGGESTED DEBATE ON CANADIAN POSITION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a motion to put under Standing Order 43. Yesterday the Canadian Council for International Co-operation concluded a special conference in Ottawa on the world food crisis. This conference brought together representatives of 60 major non-governmental organizations to prepare recommendations for the Canadian government position at the United Nations World Food Conference at Rome starting November 5.

Because of the critical role that Canada, a bread basket of the world, will play at the Rome conference, and because of the great need for non-partisan involvement by parliament, I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That a special one day debate be held in the Commons prior to November 5 to examine the recommendations of the council for a strong Canadian position on a world food security system; ways to increase food production in the developing countries; and more equitable distribution of world food supplies.

Mr. Speaker: Order, please. The House has heard the motion. Since it is presented pursuant to Standing Order 43, it cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

Mr. Roche: Mr. Speaker, on a point of order, yesterday the hon. member for Bellechasse (Mr. Lambert) raised an interesting question following the refusal of his motion by the House. Your Honour undertook to examine the point raised yesterday by the hon. member for Bellechasse, namely that members of the opposition who move motions under Standing Order 43 should not be rebuffed by a voice in the wilderness but by somebody who will stand up and be recognized by the Speaker when he says no.

Mr. Speaker: Order, please. Both the provisions of Standing Order 43 and the other practices of the House require that there be unanimous consent. It has been a matter of long standing practice and has been clearly understood that unanimous consent, when asked for, is negatived by any single member who raises his voice against it. That has been the long standing practice of the House, and I am unable to see anything in the precedents or practices of the House to argue otherwise. If there is to be any change to that practice, I submit it would have to come from some sort of understanding and agreement among members of the House.

[*Translation*]

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

Mr. Speaker: The hon. member for Lotbinière on a point of order.

Mr. Fortin: Mr. Speaker, I want to go on with what I just said in a very appropriate way to my Progressive Conservative colleague and take up the remarks the hon. member for Bellechasse (Mr. Lambert) made yesterday and those you are reported to have made on page 244 of *Hansard*: The question is very interesting and I shall study it in the future. I do not want us to leave unsettled the important question of upgrading Standing Order 43. I therefore ask what your intentions are as to the upgrading or outright suppression of Standing Order 43.

Mr. Speaker: I said yesterday that it is an interesting question, and it is. I also said I would examine it in the future, and I will.

[*English*]

The hon. member for Yorkton-Melville.

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

Mr. Speaker: Order, please. The hon. member for Athabasca is rising on a point of order.

Mr. Yewchuk: Mr. Speaker, I am sorry to interrupt the hon. member for Yorkton-Melville, but my point of order is a continuation of the two points of order concerning Standing Order 43. I think it would be useful to point out that the hon. member for Kenora-Rainy River is making a mockery of parliamentary procedure.

Some hon. Members: Hear, hear.

Mr. Yewchuk: Mr. Speaker, he happens to be sitting directly across from me and I am sure he does not pay the slightest attention to the motions, what they mean or their content, he just simply shouts very glibly every time an hon. member—

[Mr. Speaker.]

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The provisions of Standing Order 43 presumably are clearly understood by all hon. members. This does not simply involve a question about the subject matter of the motion, but in addition the possibility that the business of the day may very well be set aside to debate the subject matter, which is a totally different matter. The point of order in respect of the manner in which unanimous consent may be expressed or negatived may be valid, but aspersions in respect of a member for his reasons for not wanting to set aside the day's business for debate on a Standing Order 43 motion is a totally different thing, and I must rule that this is not a point of order.

* * *

PUBLISHING

SUGGESTED TERMINATION OF TAX PRIVILEGES FOR "TIME" AND "READER'S DIGEST"—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I will try a third time to obtain unanimous consent to move a motion under the provisions of Standing Order 43, seconded by the hon. member for Brant (Mr. Blackburn):

That this House request the government to act immediately to terminate the special tax privileges currently enjoyed by *Time* and *Reader's Digest*.

Mr. Speaker: The House has heard the motion which was very short. Perhaps I should repeat it:

That this House request the government to act immediately to terminate the special tax privileges currently enjoyed by *Time* and *Reader's Digest*.

This motion requires unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

* * *

[*Translation*]

● (1120)

CONSUMER AFFAIRS

REQUEST FOR INVESTIGATION OF SUGAR MONOPOLY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, under the terms of Standing Order 43, I ask the unanimous consent of the House to present a motion. I move, seconded by the hon. member for Rimouski (Mr. Allard):

That a special committee of the House be set up to study the relationship between the international sugar monopoly and the fact that the conflict without solution between the workers' union of the Saint-Hilaire refinery and their employer will cause a minimum loss of

25 million pounds of sugar, when sugar now sells for 50 cents a pound to the consumer.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

* * *

CITIZENSHIP ACT

MEASURE TO ESTABLISH CONDITIONS AND PROVISIONS GOVERNING CITIZENSHIP

Hon. James Hugh Faulkner (Secretary of State) moved for leave to introduce Bill C-20, intituled "An Act respecting citizenship".

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

* * *

[*English*]

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT

AMENDMENT TO PERMIT FIXING OF INITIAL PRICE FOR PRODUCTS

Hon. E. F. Whelan (Minister of Agriculture) moved for leave to introduce Bill C-21, to amend the Agricultural Products Co-operative Marketing Act.

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

* * *

[*Translation*]

CANADA PENSION PLAN

AMENDMENTS TO DEFINITIONS AND PROVISIONS

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill C-22, intituled "An Act to amend the Canada Pension Plan".

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

* * *

● (1120)

[*English*]

PUBLIC SERVICE

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE TO CONSIDER RECOMMENDATIONS IN FINKELMAN REPORT

On the order: Government Notices of Motion

October 8, 1974—*The President of the Privy Council:*

Oral Questions

That a Special Joint Committee of the Senate and House of Commons be appointed to consider and make recommendations upon Parts I, II and III of the paper entitled "Employer-Employee Relations in the Public Service of Canada", prepared by the Chairman of the Public Service Staff Relations Board;

That 14 Members of the House of Commons to be designated by the House at a later date be the members on the part of this House of the Special Joint Committee;

That the said Committee have power to send for persons, papers and records and examine witnesses; to sit during periods when the House stands adjourned; to report from time to time and to print such papers and evidence from day to day as may be deemed advisable; and to delegate to sub-committees all or any of their powers except the power to report directly to the House;

And that a Message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, some of its Members to act on the proposed Special Joint Committee.

Mr. Speaker: Pursuant to section 2 of Standing Order 21 this notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the House.

* * *

PUBLIC ACCOUNTS

REFERENCE OF PUBLIC ACCOUNTS FOR YEARS ENDING MARCH 31, 1972 AND MARCH 31, 1973 AND AUDITOR GENERAL'S REPORTS TO STANDING COMMITTEE

On the order: Government Notices of Motion

October 8, 1974—*The President of the Privy Council:*

That the Public Accounts for the years ended March 31, 1972 and March 31, 1973 and the Reports of the Auditor General thereon together with the evidence adduced by the Committee during the Twenty-ninth Parliament, be referred to the Standing Committee on Public Accounts.

Mr. Speaker: Pursuant to section 2 of Standing Order 21 this notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the House.

ORAL QUESTION PERIOD

[*English*]

ENERGY

SARNIA-MONTREAL PIPELINE—REQUEST OF COMPANY FOR GUARANTEES ON THROUGHPUT—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. In view of indications that officials of the Interprovincial Pipeline Company have been holding discussions with his officials during the past month concerning security of throughput for the proposed line from Sarnia to Montreal, I should like to ask the minister whether his officials have not kept him informed regarding these discussions which go to the heart of the project which the government has considered as being of great importance. I ask this question particularly in view of the fact that the minister made no refer-

ence to any such difficulty in an answer he made in the House on Monday.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I did indeed meet with officials of the interprovincial pipeline company to discuss this as well as other matters relating to the pipeline extension. They indicated at that time their concern on the basis of, perhaps one could say, general comment in the industry rather than on the basis of the National Energy Board report about the availability of oil supplies in the late 1970's and early 1980's. They indicated that their concern principally was related to the financing because of the consequence of any deficiency in the throughput financing. I suggested to them it would be possible to cover such a contingency in the rate structure that would apply. They in turn talked in terms of the possibility of the government securing their position against such a contingency and I suggested to them they should come back with specific proposals if they had them in that regard.

I should say as a matter of interest that I have been advised by the National Energy Board that it has now completed the taking of the evidence in the Montreal pipeline application case, particularly with regard to the changed route, and has adjourned it *sine die* so that the company can come back to state its position in this regard, as the board said, as expeditiously as possible.

Mr. Stanfield: I have a supplementary question, Mr. Speaker. Some of us might wonder why the minister did not see fit to give some indication of some such difficulty when he gave a very reassuring answer in the House on Monday that the matter in his judgment would proceed and be finished early in 1976. May I ask the minister whether the government is prepared to give the pipeline a guarantee of throughput or minimal financial assurance each year or is the government prepared simply to leave this matter stand until the National Energy Board makes its report later on this year as the company has indicated it would either wait for such an assurance or wait until the National Energy Board makes its report.

Mr. Macdonald (Rosedale): As I think was indicated in the press reports which inspired the hon. gentleman's question, we will be meeting with the company in the course of the coming week to have more precision with regard to its concern about through-put. As I indicated, our feeling is that any financial exposure in this regard should be achieved within the rate structure, but we will want to define more clearly with the company the extent to which it feels financially exposed. Then, of course, at that point the government would have to take a decision concerning what its financial involvement might have to be.

The general principle remains, however. We feel that for the security of the Montreal market the extension should be carried from Sarnia to Montreal.

Mr. Stanfield: The minister refers to me being inspired by a press report. It is fortunate that there is still a free press in this country and that we do not have to depend for information on that minister or any of them.

Some hon. Members: Hear, hear!

[Mr. Stanfield.]

Mr. Stanfield: I should like to ask the minister whether it is a fair assumption that despite the very reassuring response he gave to the hon. member for Edmonton West on Monday, the whole project is still way up in the air.

Mr. Macdonald (Rosedale): Mr. Speaker, as I said, the hearing has been completed in relation to the route. As to the question of financing, it has been raised just recently by the company and it is one that obviously will have to be defined. But otherwise my understanding is that the company is proceeding with the application and the board will be in a position to report on all points except for that one when they render a decision.

OIL—ALLEGED POSSIBLE SHORTAGE—SUGGESTED CURTAILMENT OF EXPORTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the minister. In view of the fact that the Interprovincial Pipeline Company has asked for this postponement on the grounds that their application was based on misinformation and the oil industry has now reached a conclusion which I have advanced to the minister for the last six months, namely, that by 1980 or sooner Canada will be in a deficit position with reference to oil, and in the light of the reluctance of the Interprovincial Pipeline Company to proceed, is the government considering phasing out our exports of western crude oil to the United States in order to make sure that we have sufficient through-put for eastern Canada, particularly in light of the fact that President Ford has announced that the United States intends to curtail its imports of oil?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): It was because of our concern about conflicting opinions on the supply situation that earlier in the year the government asked for an advisory opinion from the National Energy Board with regard to the petroleum supply in Canada. My anticipation is that the government will be receiving a report within a month, and I hope then to have a more definitive indication of the actual supply availability. I have said in general terms, both inside and outside the House, that we anticipate that over the next decade there will be a reduction in Canadian exports of crude oil to the United States. The National Energy Board report when received will provide us with a basis upon which the exports can then be phased down. In sum then, we expect that exports will be going down. The exact timetable, of course, would be better dictated after we have the board's recommendations.

OIL—POSSIBLE SAVING BY USING WESTERN OIL TO SUPPLY MONTREAL MARKET RATHER THAN IMPORTED OIL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister if officials in his department have made any estimates as to what saving would be involved if we could ensure a market in the Montreal area for western crude rather than having to make compensation payments to the oil companies for oil imported. Would such a saving warrant the government in giving an assurance to the Interprovincial Pipeline of a guaranteed through-put?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): My recollection is that 250,000 barrels a day going into Montreal, while reducing the compensation liability, would also reduce the export charge income in the west, and I think that rather than an actual saving there might be a slight net deficit as a result of that kind of change in our supply.

* * *

EXTERNAL AFFAIRS

PROPOSED UNITED STATES ACTION AGAINST AGRICULTURAL TRADE QUOTAS—DISCUSSIONS WITH CANADIAN GOVERNMENT

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. It arises out of the statement made public last night that the United States will move against agricultural trade quotas in Canada or put on import controls. In view of the potential seriousness of such a situation, and in the light of the fact that Canadian officials have known of these developments for approximately one month, I should like to ask the minister what discussions Canada has had, other than the discussion which the Minister of Agriculture was supposed to have had when he was in Boise, Idaho?

● (1130)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, following the Canadian government announcement of the quota system, it was indicated to the trading partners affected that Canada was ready to consult with them. Very intensive consultations have already been held with the Americans on the necessity of our establishing these quotas to protect the Canadian market. Subsequent to those discussions at the official level, I raised the matter with Mr. Kissinger when I met him in New York and advised of the serious view that would be taken by the Canadian government of any retaliatory action to the quotas justifiably established by us.

PROPOSED UNITED STATES ACTION AGAINST AGRICULTURAL TRADE QUOTAS—POSSIBLE GOVERNMENT ACTION

Mr. Jack Murta (Lisgar): A supplementary question, Mr. Speaker, as I do not believe the minister really gave me an answer. If a small trade war should develop between Canada and the United States on agricultural products, what will the Canadian government do to alleviate its effects, especially in view of the contradictory statements made in Canada and the United States by the Minister of Agriculture?

Hon. Allan J. MacEachen (Secretary for External Affairs): Mr. Speaker, I think it is important to clarify Canada's response to the abnormal situation which prevailed in the market in 1973, and to justify our actions. We have attempted to convey that to the Americans, which will undoubtedly appeal to my hon. friend. At the moment the Americans have filed notice that they propose to take retaliatory action, and we have asked for public presentations of the extent of that action. We do not know the form or magnitude of the action they propose and until this is known it will not be possible for the Canadian government to assess its position and consider what action would be justified.

DISCUSSIONS WITH UNITED STATES CONCERNING TRANSPORTATION OF ALASKAN OIL ACROSS CANADA—GOVERNMENT POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Secretary of State for External Affairs. When the minister advised the House yesterday that he had no precise knowledge of United States policy regarding the transport of Alaskan oil across Canada, did he know then that the Minister of Energy, Mines and Resources had already discussed this matter with United States officials in Washington last week?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I was replying to my hon. friend in the context of conversations that had taken place with the U.S. Ambassador-at-large, William Eberle. Naturally, I will be updating my information and knowledge with my colleague the Minister of Energy, Mines and Resources. I do not pretend to know every aspect of every conversation that takes place between my colleague and his counterpart in the United States.

Mr. Fraser: Mr. Speaker, the minister could have said no and saved a little time. A supplementary question. Can the minister advise the House whether the government is prepared to use this new proposal, which clearly means an oil pipeline across Canada to carry Alaskan oil, as a bargaining lever to force the United States to keep all oil tankers out of the Straits of Juan de Fuca on the west coast of British Columbia?

Mr. MacEachen: Mr. Speaker, my hon. friend knows well the attitude that has consistently been taken by the Canadian government with respect to west coast oil tanker. I would advise my hon. friend that discussions are continuing on this very point between Canadian and American officials.

Mr. Fraser: A supplementary, Mr. Speaker. All members from British Columbia know how little has been done in the last few years. My question to the government is very straightforward. Are they or are they not telling the United States that they cannot have their oil pipeline unless they get their tankers off our coasts?

Mr. MacEachen: Mr. Speaker, I would not like to emulate my hon. friend by making the bargaining approach public.

Mr. Hees: Why don't you wrestle them to the ground?

Oral Questions

HOUSING

REFERENCE TO ELECTION PROMISES—GOVERNMENT POSITION ON IMPLEMENTATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have in my hand a volume made up of Liberal promises made prior to the July 8 election.

An hon. Member: That is only the first volume.

Mr. Braodbent: It has some 287 pages—

Mr. Speaker: Order, please. There has been ample opportunity for debate during the beginning days of the session, but there is limited opportunity for questions. I would appreciate it if the hon. member would come to his question.

Mr. Broadbent: The volume is some 287 pages long.

An hon. Member: Read it all.

Mr. Broadbent: I think it should be entitled "Great Expectations". If I could have the attention of the cabinet, Mr. Speaker, I would put the question to the Prime Minister. On the occasion of an address on the problem of housing for this year the Prime Minister said in Vancouver on June 5:

> Down payments are too high, interest rates are too high, monthly payments are too big.

He went on to say that action had to be taken immediately.

Some hon. Members: Order, order!

Mr. Speaker: Order, please. With all due respect, the hon. member really ought to pose a question.

Mr. Broadbent: Mr. Speaker, I am giving the necessary background. In reply to a question in the House yesterday, the Prime Minister implied that solution of the housing crisis he was talking about in June could be postponed for a two to four year period. In all seriousness, I ask the Prime Minister if the government plans to do something this year about the housing crisis he referred to in June, or if they intend to wait a year or two or three?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Canadian people are well enough informed to realize that no government can do everything everywhere at the same time. That is why they gave us a four year mandate.

Mr. Broadbent: A supplementary question, Mr. Speaker. Also in June the Minister of State who was then responsible for housing promised that for this year $200 million would be added to the AHOP program. This has not been done so far. I would ask the Prime Minister if he intends to keep that election promise?

Mr. Trudeau: Mr. Speaker, if the hon. member will send me a copy of that big book I will look up the quote and see if it is a real quote.

[Mr. Hees.]

FINANCE

POSSIBILITY OF IMPOSITION OF FOREIGN EXCHANGE CONTROLS—GOVERNMENT POSITION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. In view of the statement contained in his speech yesterday, as reported at page 260 of *Hansard* that he has recommended and pointed out the necessity for stricter controls over the movement of international capital, can he tell the House if the government of Canada is proposing some sort of foreign exchange control?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. I think the hon. gentleman may have read that statement a little out of context. I will look at it myself to see if there is any ambiguity.

Mr. Gillies: A supplementary question, Mr. Speaker. Is it the position of the Minister of Finance that it is possible to have control over international movement of capital without domestic foreign exchange controls?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if one were to accept the hon. gentleman's premise, within the context of the speech the answer would be no.

* * *

NATIONAL DEFENCE

ALLEGED INSTRUCTIONS TO PERSONNEL NOT TO WRITE TO MEMBERS OF PARLIAMENT—GOVERNMENT ACTION

Mr. David MacDonald (Egmont): Mr. Speaker, I should like to put a question to the Minister of National Defence. Was the Chief of the Defence Staff, General Dextraze acting on the minister's instructions when he sent out a general newsletter to the armed services instructing personnel not to write to their members of parliament with respect to any personal problems they might have?

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

An hon. Member: They should write to Information Canada!

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have not seen the letter to which the hon. member refers.

An hon. Member: You didn't get one?

● (1140)

Mr. MacDonald (Egmont): Mr. Speaker, I am somewhat surprised the minister has not seen this publication as it was generally circulated to the armed forces. It comes from the chief of defence staff. The minister should also be concerned because it advises armed forces personnel not to write members of parliament or to the minister.

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): Since the minister has not been informed of this action by the chief of his defence staff, will he assure the House he will immediately instruct the chief of defence staff to send out an amending memo to all armed services personnel correcting what is a most serious abuse of the rights and privileges of all members of this House.

Some hon. Members: Hear, hear!

Mr. Richardson: Mr. Speaker, I have to date found no difficulty in supporting the chief of the defence staff in all that he has done. I will certainly want to look at this in detail, read it and report back at a later date.

Mr. Speaker: The hon. member for Shefford.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would respectfully point out that owing to the avalanche of supplementaries this morning, we have not yet had the opportunity to ask a first question.

Mr. Speaker: Order.

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, I rise on a question of privilege. While I am happy that the minister regards this as a serious matter, I am concerned that this whole issue will be sloughed off. I believe it constitutes a very serious violation of the rights and privileges of all members of this House.

Mr. Speaker: Order, please. The hon. member knows well that if it were his intention to raise this as a question of privilege, he ought to have done so at the first opportunity. He has addressed the question to the minister. Having dealt with it in one way, he obviously should not deal with it as a question of privilege at this time. He asked a question of the minister. The minister said he will come back with an answer. Until the minister appears to be dilatory in carrying out that promise, I can scarcely regard it as being sloughed off. If that does happen, and the minister fails to come back with an early reply, the hon. member will have the opportunity tomorrow. I would not accuse the minister of being dilatory at this moment.

Mr. MacDonald (Egmont): I accept the words of Your Honour. However, since it is a question of privilege, I hope the minister will give the undertaking that in the next session of this House tomorrow he will provide us with the information because it is a serious matter.

Mr. Richardson: I will undertake to do that, Mr. Speaker.

* * *

[*Translation*]

CONSUMER AFFAIRS

SUGAR—CONSULTATION WITH QUEBEC GOVERNMENT TO SETTLE DISPUTE AT SAINT-HILAIRE REFINERY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would respectfully point out that owing to the abusive use of questions of privilege in the House this morning, we have not yet had the opportunity to ask the first question. I would therefore ask you, Mr. Speaker, to consider and analyze the supplementaries asked this morning to take a decision in that connection.

I should like to put a question to the Minister of Consumer and Corporate Affairs. Has he communicated with his Quebec counterpart to find a solution to the conflict between the employees of the Saint-Hilaire refinery and theirs employer?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): The matter was raised earlier by the member for Saint-Hyacinthe. Following his question, I inquired about the situation. I can say to the House that the refinery belongs to the provincial government and I really believe that the latter will find a solution to the strike now under way. I must remind the hon. member that the production of Saint-Hyacinthe represents less than 1 per cent of the Canadian sugar consumption. Obviously, I am concerned about the losses incurred, but I do not want this problem to be unduly exaggerated.

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

Can the hon. minister assure the House that he will order an investigation to ascertain whether or not the disturbance is being fostered by the international sugar monopoly at the expense of Canadian consumers and the sugar-beet production which accounts for several millions of dollars in the Richelieu Valley area.

Mr. Ouellet: The hon. member should know that legal proceedings have been instituted in the Montreal Superior Court against four refineries. The law will have its way, Mr. Speaker.

* * *

REGIONAL ECONOMIC EXPANSION

REQUEST FOR AID TO QUEBEC SUGAR BEET INDUSTRY

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question could be a supplementary. It is directed to the hon. Minister of Regional Economic Expansion.

If the worst comes to the worst and the Quebec-based sugar refinery should consider closing its Saint-Hilaire plant, which would entail laying-off some 50 workers and wasting the complete crop of 350-odd sugar-beet producers, could the hon. minister undertake to explore, together with the Quebec authorities and within the scope of the Ottawa-Quebec agreement, all possible avenues to help this unique Quebec industry which is essential to the future of an agro-food industry?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, insofar as co-operation is concerned, the answer is, of course, yes. To the best of my knowledge, no formal application for such assistance has been received to the present moment. However, I will be glad to look into this and advise the hon. member.

Oral Questions

ENERGY

NECESSITY FOR CONSERVATION MEASURES—CONSULTATION WITH PROVINCES ON CONVERSION TO NUCLEAR OR COAL FUELED ELECTRICAL PLANTS

Mr. Elmer MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Bearing in mind President Ford's statements regarding measures to conserve energy resources and in light of the recently concluded draft agreement on energy sharing in Brussels, does the minister intend to inform the House of similar conservation measures for Canada or are we to assume that as a result of our immediate surpluses there is no necessity at this time for conservation of energy resources?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have the same direction as the United States. Indeed, all western countries are working toward more effective conservation programs. The office of energy conservation has been directed more toward long-range measures than short-range measures as set out by the president.

Mr. MacKay: In light of President Ford's commitments for the quick conversion of existing oil-fired electrical plants to nuclear and coal fueled plants, has the minister consulted with provincial officials to pursue a similar course which would ensure a dramatic cut-back in the use of petroleum resources in the country?

Mr. Macdonald (Rosedale): Mr. Speaker, we announced yesterday we would be financing the first nuclear plant in New Brunswick for the use of that province, Prince Edward Island and hopefully the hon. member's province as well.

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AGRICULTURE

DUMPING OF MILK IN NOVA SCOTIA—GOVERNMENT ACTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of Agriculture. Because of the fact dairy farmers in Nova Scotia are being forced to dump milk as a result of inadequate storage space and lack of transportation caused by a strike in Nova Scotia's largest dairy, will the minister advise whether immediate assistance is being considered by the government to prevent further such wastage and to avoid another fiasco similar to the egg tragedy does not occur?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this is strictly a provincial labour problem. It is a provincial marketing board which looks after whole fluid milk.

[Mr. Jamieson.]

PUBLIC SERVICE

EFFECT OF QUEBEC OFFICIAL LANGUAGES ACT ON FEDERAL EMPLOYEES IN HULL, QUEBEC

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I have a question for the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Francis: Has the government considered issuing a statement clarifying the position of employees of the government of Canada working in the city of Hull with regard to Bill 22, the Official Languages Act of the province of Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, no institution of the federal government will be affected by Bill 22. Bill 22 is couched in terms that it can only apply to areas within provincial jurisdiction. It, of course, cannot be applied to any area of federal jurisdiction.

* * *

● (1150)

THE CANADIAN ECONOMY

IMPACT OF UNITED STATES ANTI-INFLATIONARY POLICY—CONSULTATION WITH CANADIAN GOVERNMENT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is for the Prime Minister. In view of the fact that three cabinet ministers and a special United States envoy have admitted that the anti-inflation measures announced two days ago by President Ford will have a massive impact on Canada, is the Prime Minister satisfied that the effect of these measures will not be disruptive or damaging to this country?

Right Hon. P. E. Trudeau (Prime Minister): I must advise the hon. member that, as to the premise of his question, he has been misinformed. Such a statement has not been made by three ministers, two ministers or even by one minister.

Mr. Darling: Since both the right hon. gentleman and the Minister of Finance have stated there was no consultation between Canadian and United States officials prior to President Ford's announcement, can the Prime Minister tell the House on what basis he seems satisfied that the impact of these U.S. measures will not be disruptive or damaging to Canada?

Hon. John N. Turner (Minister of Finance): I was a party to these conversations and perhaps the House will allow me to reply. There was no consultation prior to the President's statement because it had budgetary consequences. Nor would we, in similar circumstances consult with the United States prior to our budget. I did say that Ambassador Eberle gave an undertaking to the Minister of Industry, Trade and Commerce, the Secretary of State for External Affairs and myself, that there would be close consultation as to the phasing in of all the aspects of the President's statement which affect Canada.

SOCIAL SECURITY

MEASURES TO PROTECT PENSIONERS IN PRIVATE PLANS—DISCUSSIONS WITH CHARTERED BANKS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance? Is the government giving consideration to the introduction this session of legislation regarding private pension plans, to provide greater protection for pensioners under those plans and to require such plans to comply with modern-day standards including the escalation of the pensions of those already retired?

Mr. Nowlan: Order paper!

Hon. John N. Turner (Minister of Finance): One aspect of the question relates to future legislation but there are also, perhaps, budgetary aspects which would prevent my replying fully to the hon. member.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. In view of assurances the minister has given in former sessions, would he make a beginning on this subject by having further discussions with the chartered banks about their inadequate pension plans?

Mr. Turner (Ottawa-Carleton): If the hon. member will recall our earlier exchange, I did bring the matter up with the banks. But I thank the hon. member for reminding me.

Mr. Knowles (Winnipeg North Centre): What did they say?

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THE CANADIAN ECONOMY

ANTI-INFLATIONARY POLICY OF UNITED STATES—CONSULTATION WITH CANADIAN GOVERNMENT—FAILURE TO SEND REPRESENTATIVE TO WASHINGTON ECONOMIC CONFERENCE

Mr. Sinclair Stevens (York-Simcoe): A supplementary question to the Prime Minister. In view of the fact that most of President Ford's statement dealt with non-budgetary matters, would the Prime Minister tell us, now that the need for confidentiality is past, whether he or any member of the government requested consultation prior to President Ford's statement and, if so, what was the reply. If such a request was not made, why not?

Right Hon. P. E. Trudeau (Prime Minister): If the question relates to consultation with the President, the answer is no. If the hon. member has in mind consultation between the two governments, may I say there have been several meetings between members of the United States government and our government. And, of course, the Minister of Finance has been to Washington a few times recently.

Mr. Stevens: Since the greater part of President Ford's statement was based on what took place at the Washington summit economic conference, could the Prime Minister explain why no member of his government was in attendance at that conference—in fact, no member of this House other than myself?

Some hon. Members: Oh, oh!

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GRAIN

FEED GRAIN—NEED FOR SUPPLIES IN ATLANTIC REGION—REQUEST FOR ASSURANCE OF GOVERNMENT ACTION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Agriculture or to the minister responsible for the Wheat Board. It is a delightful question, Mr. Speaker, in the sense that it falls strictly within the confines of the jurisdiction of either the minister responsible for the Wheat Board or the Minister of Agriculture—no outside forces or weather storms could affect it. Has either of the two ministers, whichever is responsible, had an opportunity to consider the request from the grains group in Atlantic Canada urging that feed grains be put in position in elevators in Atlantic Canada without delay bearing in mind the onset of winter, unsettled labour conditions, and the fact that no feed grain whatsoever is stored there at the present time?

Hon. Otto E. Lang (Minister of Justice): I can assure the hon. member that the Canadian Wheat Board and the Canadian Livestock Feed Board have been paying close attention to this question. With the movement of grain renewed, there should be every opportunity to put the grain in place. Domestic needs will be served first.

Mr. Nowlan: A further question to the minister. I appreciate that there has been some activity among the officials, but could the minister give us a commitment that the movement of the 250,000 tons of grain needed by Atlantic Canada will be given priority in view of the fact that though grain is now moving there are other labour problems which might well affect railroad operation and, thus, the movement of grain to the east. Could we have an assurance along these lines before there is any shutdown of supply?

Mr. Lang: Yes, Mr. Speaker. As I said, we are giving priority to domestic needs. A lot of grain will be moving; we shall be putting it there, and, of course, what is needed domestically will take priority over the export of grain.

* * *

[*Translation*]

AGRICULTURE

SUGAR BEETS—REQUEST FOR POLICIES TO AID INDUSTRY

Mr. René Matte (Champlain): Mr. Speaker, I should like to ask the Minister of Agriculture a question supplementary to the one asked by my colleague from Shefford. Since Canada could readily produce all the sugar needed in this country, which would save us from the international monopolies in this field, could the minister advise this House whether he has taken special steps to promote sugar production in Canada and, if not, can he explain why it has not been planned previously?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): I answered that question in the House the other day, but to repeat, I am sure the hon. member realizes that one of the most important factors is the international sugar agreement which was destroyed, I guess the word would be—the countries refused to join it. The world pattern of sugar supply changed and the need for production in Canada is probably more obvious now than it has been in the past. I said the other day I was submitting a paper to my colleagues for consideration. Whether we can provide all the sugar we need in Canada is questionable. Even the most optimistic forecast I have been given is that only 25 per cent of our domestic needs could be produced in Canada.

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TRANSPORT

STUDY OF FEASIBILITY OF ARCTIC RAILWAY—REASON FOR DELAY IN PUBLISHING

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is addressed to the Minister of Transport. It has to do with the study of the feasibility of an Arctic railway carried out by CN-CP some time ago. In view of the fact that this important study has been in the hands of the minister's department since last March and the bearing this information could have on current National Energy Board and right-of-way pipeline hearings, will the minister now undertake to honour his commitment to make this study public? If not, what justification is there for further withholding it?

Hon. Jean Marchand (Minister of Transport): The hon. lady says this is an important report. It is one we are studying very intently within the department—

Miss MacDonald (Kingston and the Islands): For six months?

Mr. Marchand (Langelier): —jointly with the Department of Energy, Mines and Resources.

An hon. Member: That is the trouble.

Mr. Marchand (Langelier): As soon as this study has been completed—

Some hon. Members: Oh!

Mr. MacKay: On a point, of order, Mr. Speaker. A high percentage of all the questions addressed to the Minister of Transport are answered in the same way. Matters are either under study or under review or being looked into. Perhaps the hon. gentleman could save a great deal of time if he could tell us which matters in his department are not under review at this time.

Mr. Marchand (Langelier): On that point of order, may I say that everything is under review.

An hon. Member: What about Benson?

Mr. Hees: Bring back Benson!

[Mr. Matte.]

● (1200)

AGRICULTURE

BEEF CATTLE—REQUEST FOR GOVERNMENT ACTION TO CORRECT SERIOUS SITUATION

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question is for the Minister of Agriculture. Is the minister really fully aware of the extremely serious situation in the cow-calf and grass yearling side of the total Canadian cattle picture, and in particular, is he aware of the present disastrous price levels of heifer calves and yearling heifers? If so, has the minister any statement of policy to announce that might help restore some faith and confidence in the total Canadian cattle picture?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think this very question was asked in the first instance by the hon. member for Lisgar, which illustrated that we do have some concern. Even the United States of America has some concern about some of the things that we are doing to assist the beef industry. We have also received many suggestions from beef organizations and from the hon. member which differ greatly about what we should be doing for the beef industry. We consulted the provincial people on Monday, and I have already told the House that they were not unanimous about what should be done, although they thought something should be done. As far as I am concerned, something will be done because I realize that the situation is urgent. I hope the hon. member can impress on all his colleagues, including the hon. member for St. John's East, that the matter is important, too.

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AIR CANADA

NEGOTIATIONS WITH PILOTS—POSSIBLE INTERVENTION BY MINISTER

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Minister of Labour. Would the minister report on the Air Canada pilots negotiations?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I would advise the hon. member that the parties are meeting in direct negotiations today, I understand this afternoon.

Mr. Paproski: A supplementary question, Mr. Speaker. Is the minister considering personal intervention?

Some hon. Members: No, no!

Mr. Hees: Give them a chance, John.

Mr. Munro (Hamilton East): It may be a relief to the hon. member to know that I am not, Mr. Speaker.

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—CANADIAN POSITION ON A SECURE WORLD FOOD SYSTEM

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Secretary of State for External Affairs. Can the minister state now that the Canadian position at the World Food Conference in Rome will advance structural solutions to the food crisis and not just emergency aid, so that measures to obviate famines will be situated within a total strategy for development?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I would advise my hon. friend that the government still has under consideration the position that will be taken at the World Food Conference; but I think I can assure him that the position will not be confined to emergency action but to structural changes, or proposed structural changes, particularly in the economies of the developing countries.

Mr. Roche: A supplementary question, Mr. Speaker. Bearing in mind that the conference opens in November, something less than one month, can the minister state what Canada, as a major agricultural and producing nation, is prepared to do to establish a world food security system?

Mr. MacEachen: Mr. Speaker, as I have indicated, all of the aspects of the conference are now under review. When a final position is determined it then will be possible to tell my hon. friend exactly what the position is.

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FINANCE

GOVERNMENT ANNUITIES—REASON FOR FAILURE TO ADJUST INTEREST RATES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Finance. Does the minister intend to adjust the interest rates on government annuities in light of the fact that the interest rates on which the benefits and premiums of government annuities and older bonds are based remain constant during the term of the contract, despite accelerating inflation and higher interest rates for other government bonds?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the answer is no. I have already had correspondence with a good many members on this subject.

Mr. McKenzie: A supplementary question, Mr. Speaker. Can the minister explain the rationale as to why concessions are being given in regard to some government bonds while annuities are completely ignored?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will write and give the hon. gentleman a full explanation, as I have several hon. members on both sides of the House.

INDUSTRY

AUTOMOBILES—EFFECT ON CANADIAN INDUSTRY OF UNITED STATES REGULATIONS CONCERNING GASOLINE CONSUMPTION—CONSULTATION WITH CANADIAN GOVERNMENT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the fact that President Ford announced in his recent economic statement that he will be discussing with the automobile manufacturers changes to increase automobile gasoline mileage by about 40 per cent, and in view of the statement yesterday by the Minister of Finance that there should be prior consultation on economic matters, can the Minister advise whether there was prior consultation with him or his departmental officials regarding possible changes in automotive production, in view of the fact that the auto pact is a bilateral agreement?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think my colleague the Minister of Finance has already indicated that, as a result of consultations with Ambassador Eberle, there will be further consultations at the official level respecting the steps announced by President Ford. That consultation will undoubtedly involve discussion of the kinds of model changes that may occur. Consultation will be had both at the official level and, I expect, at the inter-corporate level.

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TRADE

CANADA-UNITED STATES AUTO PACT—EFFECT OF UNITED STATES REGULATIONS CONCERNING GASOLINE CONSUMPTION

Mr. Bill Kempling (Halton-Wentworth): A supplementary question, Mr. Speaker. In view of the fact that our total deficit in automotive trade between Canada and the U.S.A. and Canada and Britain, Germany, Japan, Italy and France is now greater by several million dollars than our total automotive deficit in 1965, will the minister at the earliest possible moment make a statement on motions setting forth in the clearest possible terms where we presently stand with regard to the auto pact and his assessment of the impact of President Ford's statement on the Canadian automobile industry and Canadian automotive parts manufacturers? This matter is very important.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I should like to put into context the deficit to which the hon. member referred. When the auto pact was signed the deficit was probably equivalent to 60 per cent or more of the total trade in automotive products. Today it is less than 10 per cent. The second point, which is very important in understanding the effectiveness of the auto pact, how it works to benefit Canada, is that production and employment in the Canadian automobile industry is up. It has not been up in the United States this past year.

Oral Questions

CANADA-UNITES STATES AUTO PACT—REASON FOR LOWER PRICE OF CHEVROLET MONZA IN UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I ask a final supplementary question on that subject. Would the minister explain to the House how it is possible that an automobile produced in Ste. Therese, Quebec, for the total North American market—I refer to the Chevrolet Monza—is being sold in Washington for $400 lower than it is sold anywhere in Canada? That is a common difference in both countries before tax is taken into consideration. This automobile is produced exclusively in Canada for the whole North American market, yet Canadians are paying a minimum of $400 more than Americans. Why is this?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I would be very pleased to make inquiries on behalf of the hon. member. I should like to make it clear, of course, that in comparing prices of Canadian and American automobiles there is a different tax system. There is no sales tax in the United States.

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HEALTH

INABILITY OF DOCTORS TO COPE WITH INCREASE IN TROPICAL DISEASES—MEASURES TO ENSURE TRAVELLERS RECEIVE PROPER MEDICAL CHECK

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the galloping increase in tropical and parasitic diseases which has now gone beyond the ability of doctors to cope with properly, particularly in the city of Toronto and surrounding areas, I should like to ask the minister what steps are being taken to increase the number of doctors trained in this particular field so that they at least will be able to diagnose and to recognize cases when they see them; and what precautions are being taken to make sure that travellers abroad get their proper shots before they go abroad and are properly checked on their return?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am afraid that my answer to the question of the hon. member will be long. I will only say at this time that the officials of my department subject new immigrants to appropriate exams.

However, since we have tens of millions of visitors and tourists each year, it would be impossible to submit all these people to a medical examination on their arrival in Canada. I am now revising the regulations and the legislation governing this and I may be able later on in this session to propose some amendments that would improve the situation.

[Mr. Gillespie.]

● (1210)

[*English*]

POSSIBLE ESTABLISHMENT OF SCHOOL OF TROPICAL MEDICINE

Mr. P. B. Rynard (Simcoe North): I should like to ask the minister whether there are any plans to set up a school of tropical medicine in Canada?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Not on the part of the federal government, Mr. Speaker.

[*English*]

Mr. Murta: Mr. Speaker, I rise on a point of order in relation to statements the Minister of Agriculture (Mr. Whelan) has been making, and I should like to quote a part of one as follows:

—I don't think you're going to get (better returns and new incentives for farmers) with controls on exports.

With that and his latest statement of intention to impose export controls on eggs to the United States, would the Prime Minister (Mr. Trudeau), and I see he has left the House, instruct what appears to be a slightly mixed up Minister of Agriculture to clarify some of these points in order that we might know what we are talking about and what we are doing?

Mr. Whelan: On that point of order, Mr. Speaker, I suggest that the hon. member get the tape that was made. He has also insinuated today that I did not speak with the Under Secretary of Agriculture for the United States in Boise, Idaho. I did talk with him; also I got the full facts on what was said about imports and exports, so before he makes accusations he should check on what I said.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: Mr. Speaker, I should like to ask the government House leader whether he will put on the record what the government proposes to ask parliament to consider for the next week.

Mr. Sharp: Mr. Speaker, It is our intention to continue the debate on the Address in Reply to the Speech from the Throne until its conclusion, and then to proceed on a number of bills that should receive the urgent consideration of the House, beginning with Bill C-14, in the name of my colleague the Minister of Industry, Trade and Commerce (Mr. Gillespie), to incorporate the Federal Business Development Bank. If that is disposed of before the end of next week we will then proceed to another bill standing in that minister's name, Bill C-9. At the beginning of the following week it would be my hope to proceed with a matter which is very urgent, namely consideration of the Canada Pension Plan bill.

Mr. Beatty: Mr. Speaker, in relation to the business of the House, I wonder whether the government House leader could indicate when the parliamentary committee to look into the destruction of 28 million eggs will be struck, whether it will be a standing or special committee, what will be its terms of reference, and what will be the numerical composition of that committee?

Mr. Sharp: Mr. Speaker, it is my intention to propose a motion probably next Tuesday or Wednesday.

GOVERNMENT ORDERS

[*English*]

WEST COAST GRAIN HANDLING OPERATIONS ACT, 1974

MEASURE TO SECURE THE RESUMPTION OF OPERATIONS

Hon. John C. Munro (Minister of Labour) moved that Bill C-12, to provide for the resumption of grain handling operations on the west coast of Canada, as reported from the Standing Committee on Labour, Manpower and Immigration, be concurred in.

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

Motion agreed to.

Mr. Munro (Hamilton East) moved that the bill be read the third time and do pass.

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

Mr. Stanfield: On division.

Mr. Alexander: Mr. Speaker, on a point of order in that regard, I should just like to say that the report from that standing committee came to Your Honour on division and not as a result of any unanimous decision. I do not know where they ever got the idea it was unanimous, as it was on division.

Mr. Speaker: It is my understanding that the only unanimity involved is in respect of the consideration of the report going ahead today. The report simply indicates that the bill was reported without amendment. I do not think there is provision in the report to make comment as to whether it was unanimous or otherwise.

Mr. Alexander: I just wanted to make that clear.

Mr. Speaker: I think the point is well taken.

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

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Wednesday, October 9, consideration of the motion of Mr. Louis Duclos for an address to His Excellency the Administrator of the Government of Canada in reply to his speech at the opening of the session.

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, one of the reasons I came to Ottawa relates to one of my main areas of concern, namely a concern in respect of water policies, including policies of study and research for the development of a firm resource policy. At this stage I would refer to the only policy we have as a policy of drift. This general state of affairs sems to be further complicated by conflicting comments on the part of a number of Government ministers. There should be active consideration in respect of this whole area of water resources and the export of Canadian water. The concern I express relates to statements expressed once again by ministers in establishing the Liberal position on this subject.

It is my concern that the government is currently negotiating and considering the export of Canadian water. I am led to this conclusion by the statements of various ministers. The former Minister of the Environment, the Hon. Jack Davis, prepared a policy statement for this House which he did not deliver. I am wondering why he did not do so and who stopped him. I have a copy of that proposed statement in which the minister opposed the export of Canadian water. In wondering why it was not delivered I have asked myself if it was because the Prime Minister of Canada (Mr. Trudeau) once said in a television interview:

> I don't want to be a dog in the manger about this—but if people aren't going to use it, can't we sell it for good hard cash?

Perhaps it was never delivered because of what the Hon. Jean Chrétien said, as reported in *Time* magazine:

> —within 25 years we'll be exporting water to the United States—

Was it not delivered because of what Hon. Jack Davis said before the last election when he was trying to jump back on the fence in time for survival, in repudiation of his earlier statements:

> I want you to think of water schemes that are not only basin wide but possibly even continental in scope—the Rocky Mountains need no longer contain our thoughts—we can vault over them or tunnel through them and see what lies beyond; so we will be turning whole rivers around.

Was it because of the ghost of the Hon. Arthur Laing who, having just completed an interview, said:

> —diversion of Canadian water to the United States is not negotiable—there is no such thing as a continental resource—we own it—

Then, turning aside as he finished his interview, in a supposedly confidential manner he said:

> —you should know for your own information that something like North American Water Power Alliance; major water diversion, is not only feasible—it's inevitable. We are establishing a bargaining position and the best position is to say no.

That position is unacceptable to Canadians. As we look at these statements the position of the Liberal government becomes more clear.

Is the new Minister of the Environment (Mrs. Sauvé) going to stand up in this House and say the position of the government of Canada is that there will be no export of water? Perhaps the minister would just nod her head at this point. I should like to hear that statement in the next few days, because the pressure is increasing. Demands in the United States for energy will require as much of Canada's water as they can get, particularly when they are following a policy of extraction from shale coal, and the excavation of that coal.

With this kind of pressure we will certainly need all the energy of the minister of energy in preparation for these negotiations, and the non-policy resource statements we have had are completely inadequate.

Only last night in an article which appeared in the Ottawa *Citizen* we find the following statement:

Prodded by angry voters back home a month before United States congressional elections, a group of Great Lakes congressmen came out Tuesday for a plan to siphon water out of Lake Michigan—with Canada's agreement if possible, but over Canadian objections if necessary.

● (1220)

Is that to be the position of the Minister of Energy, Mines and Resources (Mr. Macdonald) and our Prime Minister? Canadians need to know now. As we anticipate the possible destruction of our precious environment and the establishment of an irreversible trend toward economic and political union with the United States, I am disappointed about what happened in respect of the Prime Minister's previous poetic or perhaps hypocritical statement in which he said:

... if part of our heritage is wilderness and if the measure of Canada is the quality of life that is available to Canadians, then we must act should there be a threat to either—we must act to protect the freshness of our air and we must act to protect the purity of our water; to conserve our living resources. If necessary, we must offer leadership to the world in these respects and withstand the cries of complaining interests.

I ask, where is the leadership today? Where are these statements today? What has happened to the Prime Minister who perhaps spoke for myself and other Canadians when he spoke in this manner? I do not want to be a dog in the manger, but I might ask how hollow these words ring now as the Liberal government is preparing to go forward with the export of water.

Before the Secretary of States for External Affairs (Mr. MacEachen), or is it Mr. Head, tilts at more new windmills, we need to develop a firm policy against water export. We need strong statements from the Prime Minister and from his chief ministers responsible for energy, resources and environment. Can any true friend and neighbour of another nation expect Canadians to "Judas" their heritage?

Certainly, I do not blame our great cultural friend and economic neighbour to the south for trying to gain and covet our greatest and most precious natural resource. If I were a citizen of the United States, or a politician there, I would probably also be calling for plans and conferences for the velvet glove seduction of Canada. I too, would be saying what Senator Frank Moss said:

—in the United States, increasingly, the control of water becomes the key to prosperity, growth and economic power in the United States—

[Mr. Wenman.]

Or perhaps I would even be putting forth veiled threats such as:

—we want to continue to live together on this continent in constructive peace for a long time.

Or, as President of the United States, I too would be instructing the State Department to work out a continental energy deal with Canada. When the United States Ambassador to Canada, Mr. Porter makes threats to Canada regarding oil and other non-renewable resources, I do not blame him for making those threats but at the same time I would say that I have great respect for the intelligence of American politicians and am certain that they would not be foolish enough to cut off their nose to spite their face in retaliation. That would, in the short term, damage Canada severely but in the long term the great loser would be the United States.

United States officials are only too aware that the only real hope of maintaining a high standard of living with consumption and production at anywhere near current levels is to maintain solid relationships with Canada and to establish negotiated resource supply treaties. But if the retaliation is a prelude to serious, tough resource negotiations to be carried on in an attempt to gain Canada's resources for a pittance, then I want assurance that these negotiations will not end up with Canada losing its life blood in the form of export of its water.

Major diversion and export of water from Canada is totally unacceptable now and will continue to be so in the future. When the minister stands up and makes such a statement, as I am sure he will after any amount of research, I want him to add to that statement, not negotiable now or in the future. He should state that this is not a bargaining condition. He should make clear that this is the intent of the government of Canada.

Just briefly, in relation to the appointment of the Minister of Finance (Mr. Turner) to a high position on the International Monetary Fund, I must say that on occasion I wonder whether Canada had been placed in the role of a puppet in international financial circles rather than as a nation assuming its rightful place as one of the world's most respected exporting nations. I hope the latter proves to be the case and that the minister will not indeed be the puppet of the big five but rather will be successful in elevating Canada's national stature as a fair but strong arbiter and counsel.

Mr. Speaker, I could not make my first speech in this House without bringing forward the matter of western alienation because it is a topic of real concern to the people of western Canada. It is a matter of concern for all Canadians. The eastern oriented government must make a renewed effort to understand, investigate and resolve the underlying causes of this alienation. Even after the poor showing of the Liberal Party in the west, the message apparently has not gotten through. The problem lies much deeper than just the inequitable freight rates, western subsidization of eastern Canada through equalization grants or the excessive expenditure of government revenue in eastern Canada. It lies much deeper. It lies in the matter of the heart and the eye. The frontbenchers of the government of Canada will have to learn to see with the eyes of a westerner.

We have this great French-Canadian culture which is talked about as having heart. I think we do have this feeling and give credit to the French Canadians for making a contribution to Canada in this regard. I hope that that feeling of heart which the ministers have for Quebec will be expanded to western Canada so that, as the Prime Minister speaks in terms of what he thinks about the linguistic demands of Quebec and their relationship to the unity of Canada, he will also think in the same way about the feelings of the people of western Canada. The Minister of Transport (Mr. Marchand) will have to remember that he should think of the traffic jams in Vancouver as well as those in Montreal about which he so effectively spoke the other day.

While it is true that Canadian cabinet ministers visiting British Columbia perhaps do not receive the warmest welcome, this may be an indication that they should go there more often to find out what is happening. It would be interesting to study the itineraries of all members of the cabinet over the past couple of years, and then perhaps we would realize the reason many cabinet ministers seem oblivious to the problems of western Canada. Member after member has spoken to empty cabinet benches in this House. It is unfortunate that these ministers cannot even find the time to sit in the House to hear the western members on their own side of the House, let alone members of the opposition. It is unfortunate that as transportation improves in Canada the prairies seem to stretch further and further away, and the Rocky Mountains seem to grow higher and higher so far as this government is concerned.

Speaking in those terms, and having been critical slightly of one or two ministers, I should like to say that the western culture is of extreme importance. That culture should be explained here and should be known here. This is significant as well. As a consequence, I have brought with me samples of this culture. I would ask the attendant to distribute these samples to the Speaker and to the leaders of the various parties. I hope members will enjoy these samples and perhaps comment on them to me later.

It is my hope that as the government considers the forthcoming budget, not only will it consider western Canada specifically but also pensioners generally across Canada. I hope the budget will include measures to reduce the pensionable age from 65 to 60, and that there will be a substantial increase in pensions, which will be not just a cost of living increase but an increase in the basic allowance. As this new parliament presses onward, I hope that measures will be brought forward to eradicate the excesses and abuses of unemployment insurance and welfare, and that consideration will be given to the effects of excessive and rapid immigration into Canada.

● (1230)

Any announcements that have been made regarding the alleviation of the housing problem in Canada, let alone in the greater Vancouver area, have been woefully inadequate. I can only assume that major announcements are being saved for the Budget speech. I look forward to these announcements and to commenting upon them at that time.

I should like to conclude with a short comment concerning one of the most serious problems involving my constituency. Simply put, we are threatened every year by the possibility of devastating floods. The time to talk about the flood protection program is not next May or June, but now. The record of past governments is anything but encouraging. It look 20 years, from 1948, to agree upon a 10 year program of diking and drainage of the lower mainland. In addition to the millions spent on studies and commission reports, the federal and provincial governments have committed some $60 million—certainly a goodly sum which one would think could produce some results.

Let us look at the results. I am sure hon. members on this side know what I am going to say. It took four years, from 1968 to 1972, to complete one of the 44 flood projects. With this track record, can we expect it will take another 172 years to complete the other 43? Is the government on the other side of the House saying to the people of the Fraser valley: "You may sleep safely in your beds in the year 2074? Is that the kind of promise or the kind of action that we are getting? That is what we are thinking and feeling in my area. This kind of progress is hardly acceptable when a flood of 1948 proportions, which experts agree could occur in any year—not four or five years hence but possibly next year, almost this year—would wipe out a good deal of the province's and nation's prime crop land, cause endless economic and social dislocation for the people who reside in the valley, and cost an estimated five times what the 1948 flood cost, that is approximately $100 million. If you allow that flood to occur, you spend $100 million, and on top of that you still have to spend $60 million on the project that will be required to protect the valley.

Let us look at the record. We had nature's fury in 1948. There were pictures of the flood and great concern over the damage and devastation to the Fraser valley. There was a signal to action by the press and the public expressed in such words as "let us get going; let us not have it happen again". We had a report with the program in 1948. Then, we had an interim report in 1949, and then we had that funny report called "The final report". What do you think is the year of the final report? Do you think it is 1972, 1973 or 1974? No, it is 1950. In 1950, we had the final report on what to do on the Fraser River. I have just started with the first three. We can look at reports year after year. The first one was in 1948; then one in 1951, another in 1952, another one in 1956, another one in 1957, 1958, and so on. Year after year promises have been made but nothing has happened. People of the Fraser valley in British Columbia are tired of waiting. We have shown tolerance in waiting for assistance with the ferries, as the hon. member for Richmond (Mr. Beaudoin) suggested earlier. We can build them on our own, but the safety of the people of Fraser valley cannot wait. We must have action in that regard forthwith, and I look forward to hearing the report of the minister on that.

My constituency stretches from the United States border 80 miles to the north border of Garibaldi Park. Fraser Valley West encompasses over 76,000 voters, the majority of whom reside in the southern portion in or around the cities of Port Moodie, Port Coquitlam, Pitt Meadows, Coquitlam, Maple Ridge, Langley, Matsqui and

Surrey. All these came to light in the 1974 election. I am very proud and pleased to be here as a federal member of parliament from the province of British Columbia.

Because the riding bisects the only available corridor to the greater Vancouver area, every transportation access to the nation's third largest city must pass through the constituency. I am, therefore, only too aware of the transportation mess referred to by the minister. A major transportation policy featuring a central corridor and relocation of existing rail beds is of utmost concern to my constituents. In any over-all transportation policy, two local objectives should be satisfied: first, the relocation of the railway tracks from White Rock-Surrey beaches, and second, the relocation of the north-south railway line from the Abbotsford city core. Both objectives, vital to my constituents, can be accomplished through the establishment of a single north-south line through the Sumas area, a line which would tie directly into a major east-west line through the valley, which would serve all major railroads. This objective is not only feasible, but it is certainly sensible from the standpoint of cost, efficiency, and a highly desirable over-all transportation policy for the lower mainland of British Columbia.

In conclusion, I should like to read a letter that I have received from a 16 year old high school student, president of a British Columbia high school, who wrote as follows regarding his impressions of the session so far:

> We are following the political scene as best we can. I heard the Throne Speech the other day and I was angered. I wish someone would tell the Liberals that they should give first priority to the problem of providing the basic necessities of life (adequate housing, food and gasoline) at a reasonable cost, and settling once and for all a positive way of solving labour-management wage settlements without strikes which paralyze the economy.

Those are pretty intelligent thoughts. In conclusion, I want to say that it is not 60, 50 or 40 year olds, it is all Canadians who have this concern which I share, and it is on their behalf that I speak.

[*Translation*]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, at the outset of my speech, I would like to congratulate the hon. member for Montmorency (Mr. Duclos) for having proposed the Address in reply to the Speech from the Throne. He spoke with the ease and eloquence which characterize all members in his area. His speech has shown that he really belongs to this proud line of Quebec members who, by their eloquence and the services they have rendered our country, have contributed to the success of our democratic and bilingual country.

[*English*]

I should like to express my congratulations as well to the hon. member for Vancouver East (Mr. Lee) who, in a speech which I think all hon. members must have found eloquent and moving, expressed his support for the Speech from the Throne. At the same time we witnessed in his person the achievement of his own people, a people who have contributed so much to the development of our country. He is undoubtedly a distinguished representative of the Chinese Canadians, and through him that group, and indeed all immigrants to Canada as well as my own people, can take pride in the fact that we have a country where, whatever their racial or ethnic origin, young men of this kind can come forward and attain the very highest positions.

[Mr. Wenman.]

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): On a very personal and constituency note, I should like to express my congratulations to you, Mr. Speaker, in the recognition of your talents as Mr. Speaker in this chamber. I think it is fair to say that there is no other region in Canada which contributes such a strong delegation of members of parliament to this chamber as the region of Northern Ontario which you have represented with distinction in the last several parliaments.

Some hon. Members: Hear, hear!

● (1240)

Mr. Macdonald (Rosedale): I am convinced from our association over the years and from the days—one might perhaps say the nights—of deep discussion on important questions of church and state, that you will surely discharge your functions with great tact.

On behalf of those of my constituents who knew Mr. Speaker at Our Lady of Perpetual Help Separate School and St. Michael's College High School, I should like to say that their predictions of an outstanding career are being fulfilled. As one constituent has said to me, "The kid from Rosedale Heights Drive is doing all right". That is a proposition that I can second.

[*Translation*]

... and also the members from Beauharnois-Salaberry (Mr. Laniel) and Louis-Hébert (Mrs. Morin) for their respective nominations.

[*English*]

—and also to my colleague the hon. member for Thunder Bay (Mr. Penner) who once again is indicating the strength and quality of the representation from Northern Ontario in this House.

Mr. Knowles (Winnipeg North Centre): Now, tell us about your cabinet colleagues. Where are they?

Mr. Macdonald (Rosedale): Unfortunately, my time is limited to 30 minutes and the qualities of my colleagues are such that not 30 minutes, perhaps, not even 30 days, would suffice to elaborate on all their talents and abilities and what they can do for Canada.

Mr. Knowles (Winnipeg North Centre): But where are they? Not one of them is here.

Mr. Macdonald (Rosedale): That shows the great confidence they have in me, Mr. Speaker.

I should like to underline some of the major principles and accomplishments of the energy policies that my department and this government have developed and followed. I should like to refer to all five major sources of energy: oil, natural gas, hydro, coal and uranium—especially uranium as applied for nuclear purposes. Especially, however, I want to speak of oil which because of its availability, its mobility and its versatility is the major energy commodity. It is the standard not only in Canada

but throughout the world by which all other energy commodities are managed. Hence, a start on energy policy must commence with oil, and particularly the measures taken in the past 12 months to deal with an unprecedented change in the world oil economy.

Two events in the past 12 months have brought about change in oil policies and, in a very substantial degree, in all energy policies during the same period. The two events are the Arab oil embargo of just a year ago attendant upon the so-called Yom Kippur war, and the two-step increase by which the exporting country tax on oil increased by 410 per cent. As a result, for all importers of oil—North America, Western Europe and indeed throughout the world—the price of oil imported went up by the same percentage.

Canada was in a far better position than most of her OECD partners to sustain the shock during this period. Due to effective co-operative action by the government of Canada and industry, while citizens of other nations in the world suffered fuel shortages this past winter and spring, while our neighbours across the border had to endure frustrating lineups to get gasoline, we in Canada suffered no such problems.

This parliament created the Energy Supplies Allocation Board with the specific responsibility to develop contingency plans against the repetition of that event. At the same time, Canada participated in the development by the Energy Co-ordinating Group at Brussels, of the International Energy Plan. Under this proposal, at the international level the consuming nations may cushion themselves and each other against any future production cutback.

The price of oil for Canadian users was frozen through last winter and then following the meeting of first ministers in March, was restrained at a single price level across Canada—subject to transportation differences—giving Canadians the lowest average crude oil price of any nation in the western industrialized world. The national accord on price which has been accepted by all regions, producing and consuming, was enshrined in the Petroleum Administration Act, Bill C-18 of the last parliament, which will be reintroduced in this parliament.

Let me underscore the tenets of our petroleum policy. First, we have decided that the price of Canadian oil should be set at a level high enough to bring on additional supplies for Canadians without going to the high levels now set by the OPEC group. Second, we decided that there should be a single price of oil for all Canadians subject only to differences for transportation costs. And, third, we decided that in supply we should direct policy toward self-reliance by Canadians on our own oil supplies and that the Canadian pipeline network should be extended accordingly. The price until the end of June will be held at $6.70 per barrel at Edmonton. There is in prospect in the coming months further federal-provincial consultations of the kind that took place last winter to determine where the single oil price for Canadians should go.

In international sales, the National Energy Board determines every month that Canadian crude is being sold for a fair and reasonable return abroad. The difference between that export price and the domestic price is then collected as an export charge. The revenues from this charge are and have been used as a cushion for consumers in eastern Canada, primarily the Atlantic provinces and Quebec, for the purpose of attaining the one price policy for all Canadians.

Let me underline an essential point in this regard. Even if the revenues from this charge were not directed toward this cushion, Canadian crude would still be selling at the same international price in the export market. That is a point I have been stressing to our American customers. I should like to repeat the words that are used in a speech in Washington last week. I said:

> The price to U.S. consumers did not go up because of the export tax; rather the Canadian price followed international prices—the prices that we have to pay for oil in eastern Canada. The export tax was a purely domestic impost—the means of determining among different Canadian interests, consuming and producing, who would get the benefit of the economic rents. To fulfil our aim of easing the burden of our eastern consumers of higher offshore prices, we used instead these new returns from export sales as a cushion. We believed then, and still do today, that this is purely domestic matter.

Those were my words, Mr. Speaker, and that is my belief. At the same time, I want to make it clear that Canada is as interested as any other consuming nation in seeing the international price of crude oil reduced by one, two or three dollars. As I told my American audience last week:

> We in Canada, as consumers of imported oil, are as unhappy as anybody else about the dramatic nature of the price increase and would be as happy as anyone else to see a reduction in the costs of imported oil.

Further than that, Mr. Speaker, we are in full support of any attempt to negotiate a reduction in the international price for oil, and stand prepared to offer any aid we can to bring the oil producing nations and the oil consuming nations to the negotiating table.

There are two other features of our future planning of oil policy that I want to bring to the attention of honourable members. First is the study of crude oil supply and demand that the National Energy Board has completed after holding extensive hearings where all parties had the opportunity to put forth their views. I expect to receive from the board that report along with its recommendations toward the end of this month. The findings will give the government a sound foundation to continue to tailor federal energy policies to the future requirements of Canadians.

[*Translation*]

The second point I would like to stress and which concerns future plans in the field of oil is the following: our government will not renege on its promise to build a pipeline to Montreal.

I believe there is almost unanimous agreement in our country to improve the security of our supplies, support our policy and ensure that a greater number of Canadians may, in the future, count on safe Canadian sources for their oil needs. That is what I meant today when I said during the oral question period that we intended to continue with this project and negotiate if necessary with the companies to materialize this project which is so important for the security of Canadians.

● (1250)

[*English*]

Now I would like for a minute to turn to natural gas where again my department and this government have formed and are following a consistent and, above all, realistic policy.

Our policy is to bring the price of natural gas in line with the market values of competitive fuels, both to conserve a valuable non-renewable resource and to stimulate development. We intend to do so in a staged fashion to cushion the impact on both United States and Canadian consumers. As I have announced, the border price of a thousand cubic feet of gas will be set, with the exception of one contract in British Columbia, at $1 on January 1. The B.C. contract will be effective from November 1.

This announcement did not come as a bolt out of the blue to our American neighbours. More than a year ago in a speech delivered in Arizona on my behalf, we asserted and I quote:

> It is important to note, as many of you are aware, that natural gas pricing is currently very inflexible in both Canada and the United States and it will require alteration of current export contracts and a flexible system of price redetermination if Canada is to receive full market value for its exports of natural gas to the United States.

It is not without interest to note that in the president's statement to congress the day before yesterday, he adopted the same approach with regard to the deregulation of natural gas in the United States. The decision to seek from congress authority to deregulate the gas price is so that the price of gas passing in interstate commerce in the United States can be subject to the same competitive developments of the kind we are trying to introduce in Canada. I assume they will follow the same policy we are following. They will stage increases to consumers over a period of years to make certain the impact is cushioned as far as that may be possible and so that the economic effects will not be disruptive.

This might be a good point to remark on one other important aspect of our policy on oil and gas, and that relates to transit. Some months ago this government initiated a proposal for a treaty between Canada and the United States covering the security of oil and natural gas pipelines. Canada has an abiding interest in this regard, since crude oil from the Canadian West moves by pipeline through the U.S. midwest to reach central Canada, while our refineries in the Montreal area are supplied with offshore oil by a pipeline from Portland, Maine. Some of the natural gas from the Canadian west also moves by pipeline through the U.S. to western Ontario.

We of course have never before felt the need for a treaty to cover the security of these pipelines on such friendly foreign territory, but since the United States has shown an interest in ensuring that the security of any pipeline along the Mackenzie River Valley is covered by treaty, the time would appear propitious to reach an official undertaking that would bestow mutual benefit.

Negotiations toward this treaty are advancing steadily and their success will have an added beneficial effect on the relations between our two countries. As you know, Mr. Speaker, there are some voices in the U.S. who for their own corporate self-interests are questioning the security of a pipeline along the Mackenzie to move Alaskan gas by pipeline and then by tanker to the U.S. west coast.

A treaty will hopefully still these voices that attempt to aggravate the relations between our two countries that have long stood firmly on a tradition of trust. With these unfounded criticisms laid to rest, our two countries should be better able to judge if there are economic benefits for both in moving Alaskan gas to the lower 48 states and Mackenzie Delta gas to Canadian markets through a pipeline along the Mackenzie Valley.

I would like to turn next to coal. It is readily apparent that the domestic demand for coal of some 27 million tons last year will increase greatly in the years ahead. The study published by my department a year ago last June entitled "An Energy Policy for Canada" set the minimum target for Canadian coal production at 37 million tons per year by the end of this decade. Last year we produced 22.5 million tons, but about half of this production was exported from Alberta and British Columbia, principally to Japan. Meanwhile we imported more than 17 million tons from the United States, mainly into Ontario for both thermal and metallurgical purposes.

Moreover, in the current climate of coal supply in the United States, there is little chance of negotiating new long-term contracts because of the fluid price situation. As of April 1, the U.S. suppliers to Ontario Hydro, with long-term contracts amounting to nine million tons per year, have increased the f.o.b. mine price by 50 per cent. This, added to an increase in U.S. railway freight rates, has made western Canadian coal reserves not only important from a self-sufficiency standpoint, but also of interest in an economic context. Ontario Hydro has therefore focused its attention on locating coal reserves in western Canada as similar as possible to the U.S. high volatile bituminous coal currently being consumed in thermal stations.

The federal government has been following closely the development of arrangements through the national railways, particularly directed to a terminal at the Lakehead for the purpose of developing better coal shipments from western Canada. We have been concentrating attention as well on research and development in technical and economic problems of supplying markets in central Canada with western coal. I wonder if this might be an appropriate time to call it one o'clock.

Mr. Speaker: Order, please. It being one o'clock, I do now leave the chair until two o'clock this day.

Mr. Whitelaw: Mr. Speaker, I wondered whether the minister would permit a question.

Mr. Speaker: Order, please. We have called it one o'clock. The minister can be asked a question when we resume.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Macdonald (Rosedale): Mr. Speaker, before the House recessed for lunch I was setting out a conspectus of the energy scene in Canada, with particular reference to petroleum, natural gas and coal. With respect to coal I had referred to the fact that while the primary development of this resource, and indeed its use, has rested with the provincial governments, the federal government has been active from the standpoint of carrying out research and development on the technical and economic aspects of supplying western Canadian coal to eastern Canada, and in particular in improving the rail shipment and lakehead transfer of coal so that it will be available for users in the eastern part of the country.

Moving from the subject of coal to electric power, one of the principles set out at the first ministers' conference in January and agreed upon at that time, I think by all the participants, was the desirability, particularly in power-short parts of the country such as my own province and some of the Atlantic provinces, of shifting the generation of electricity from fossil fuels to a secure and economical source such as uranium. Federal policy in this regard has been to provide, as has already been done in the case of the provinces of Ontario and Quebec, financing for one half of the cost of the first nuclear plant in each province. It was pursuant to this policy that Canada's third nuclear province was inaugurated yesterday with the announcement that the New Brunswick Electric Power Commission would proceed with the construction of a 600-megawatt equivalent nuclear plant at Point Lepreau in the Bay of Fundy. At the same time, as further federal policy we have provided an outstanding offer to carry half the cost of regional electrical interconnection studies, as well as half the cost of financing approved projects which result from those studies.

At the moment there is an extensive examination, with the province of Newfoundland, of the possibility of harnessing Churchill River Power, bringing it across the mainland and under the Strait of Belle Isle, to the island. As well, there has been extensive discussion with the other Atlantic provinces concerning inter connections in that area. One of the benefits to be achieved by the establishment of a nuclear plant in New Brunswick is the provision of a secure supply of power not only for New Brunswick but for the province of Prince Edward Island which, under present federal arrangements, will soon be receiving the benefits of an interconnection under the Northumberland Strait to that island.

On the question of uranium, early last month I announced new guidelines for the sale of uranium by Canada. In the next decade there will be a four-fold to six-fold increase in the annual demand for uranium, both within and outside Canada. Existing and potential production facilities will be strained to meet that demand. In order to provide orderly growth of the industry, while at the same time protecting the needs of our domestic nuclear program, we have concluded that protection of Canadian uranium consumers should be two-fold. First, we should ensure a long-term reserve of nuclear fuel for existing and committed reactors as well as for reactors which are planned for operation in Canada over a future period of ten years. Second, we must ensure that sufficient uranium productive capacity is available for the Canadian domestic nuclear power program to reach its potential.

Not only are we seeking to make certain, by reserve formulas and by our export policy, that there will be uranium available for Canada from existing sources, but through the Crown-owned nuclear corporation, Eldorado Nuclear, we have provided substantial additional budgetary funds to permit that corporation to undertake extensive exploration for uranium. This program is now under way. As part of the program of putting Eldorado Nuclear once again out into the prospecting field, we are pleased to have attracted to the service of this country Mr. Nicholas Ediger whose experience and success is well recognized in the private resource industry. He is undertaking the role of president and chief executive officer of Eldorado Nuclear.

Time does not permit me to review all the prospects for Canadian CANDU reactors. I merely say that with the increase in the cost of fossil fuels, the CANDU system—as evidenced by the outstanding performance of the Ontario Hydro plant at Pickering—has become very much in demand and inquiries are being received from many countries about the possibility of acquiring these reactors. And such sales would, of course, be subject to further safeguards, not only to ensure that nuclear material was not used for military purposes but to provide restrictions against its use for nuclear explosions whether deemed peaceful or not.

I have tried to put forward some of the major elements of our energy policy. In the coming weeks and months additional measures will be placed before the House. While it is true that Canada is well endowed with the five major source of energy, our policies must be tailored to ensure that Canadians continue to have access to these sources at reasonable cost both environmentally and in terms of dollars and cents. Threats to the environment, and the dramatic increase in the monetary cost of energy experienced in recent months, show the need for policies based on a firm federal overview of Canada's resources.

Before closing I would refer to a question raised by a previous speaker on the export of water from Canada. Since 1968, when I first became a member of cabinet, no proposition has been put to the cabinet proposing such export from Canada, and there is no grand scheme, as the hon. member intimated, for the export of this nation's water resources. Indeed, I am glad to repeat that since I have been in this House I have been unable to see any basis at all for Canada's ever agreeing to export so fundamental a product and commodity as water, particularly in the great plains area where water is so essential and valuable to Canada's ambitions in that area, both industrially and agriculturally.

● (1410)

With regard to the Chicago water diversion, the hon. member might want to refer to the record. Indeed, the Chicago water diversion at the start of this century was one of the reasons for establishing the boundaries water treaty. As a resident of the Great Lakes area, he may be assured—as all hon. members may—that as a member of this government I will make every effort to prevent any further diversion of water out of the Great Lakes' system into Lake Michigan, whether for industrial reasons or otherwise.

In the months to come we will be considering, as part of the government's program, the petroleum administration act. We will be considering, as well, the establishing of Petro-Canada, the national petroleum corporation. In particular, later in the year we will be dealing with guidelines regarding the ownership of Canadian uranium and Canadian uranium resources. We are looking forward to continued active discussion of those questions in the House and in committee, and I will be glad in private and in public to have exchanges on this important area with members from all sides of the House.

Mr. Deputy Speaker: Is the hon. member for Battle River (Mr. Malone) rising on a point of order?

Mr. Malone: No, Mr. Speaker; I have a question for the minister.

Mr. Deputy Speaker: The question can be asked only if it is accepted by the minister.

Mr. Macdonald (Rosedale): Yes, Mr. Speaker.

Mr. Malone: I should like to ask the minister a question through you, Mr. Speaker. Inasmuch as the minister talked about the equal price of gas and oil across Canada, and that it would be government policy to differentiate petroleum products from, say, textiles, automobiles and farm machinery, I ask the minister how petroleum products reach that particular status.

Mr. Macdonald (Rosedale): Basically, Mr. Speaker, most products in Canada are sold at the same basic price subject only to transportation charge differences. In this respect petroleum is treated no differently from any other product. The different aspect of the policy—one which, as I have said, has been agreed to by all ten premiers and the first minister of this government—is that, given the peculiar nature of petroleum, the essential character of petroleum not only in this but in all other industrial societies, the government views it in the interest of Canadians to ensure that the high price of international oil that has been set by the OPEC countries should not dictate petroleum prices in this country. For this reason we have set as a national policy a single price for petroleum, subject to transportation charge differences, maintaining that price at a level below that of the international commodity.

Mr. Woolliams: Mr. Speaker, I realize hon. members want to participate in this debate, but may I put one question to the minister?

Mr. Macdonald (Rosedale): Certainly.

Mr. Woolliams: My question concerns a Mackenzie delta pipeline for natural gas, not for oil. I am taking into consideration the fact that a regulatory body would have control over the pipeline, as the minister has pointed out. Has the government given serious consideration to a pipeline through which to transport natural gas, and has it worked out an equitable and reasonable agreement with the United States, in view of the high cost of building such a pipeline? Has the minister had discussion with the United States with a view to bringing natural gas down the Mackenzie delta in order to supply a product that is important not only to western and eastern Canada but, indeed, to the United States itself?

Mr. Macdonald (Rosedale): Mr. Speaker, there has indeed been discussion of a Mackenzie Valley gas pipeline with the American authorities. As the hon. member knows, under a law of this parliament, parliament has entrusted, in the first instance, the National Energy Board with responsibility for scrutinizing this kind of pipeline application and making a decision thereon. What I say will be subject, of course, to the information that will come from the gas availability studies which the National Energy Board is now carrying out, and will be carrying out at hearings in Calgary and Vancouver, to determine the time-frame in which Canadian users will need so-called Arctic gas. But it is clear that within the same time-frame the availability of natural gas in Canada will depend upon delivery of gas from the frontier, whether the high Arctic, Labrador or the Mackenzie delta. In this sense, the question is not whether there will be a pipeline; ultimately there will have to be one if we are to have natural gas in this country. The only question, is, when. The government's conclusion in this regard is subject to the prior obligation of the National Energy Board to scrutinize proposals.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I be permitted to ask a question which might clarify a brief reference the minister made?

Mr. Deputy Speaker: The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas).

Mr. Douglas (Nanaimo-Cowichan-The Islands): The minister made a brief reference to safeguards with respect to nuclear power plants so as to ensure that nuclear power will be used solely for peaceful purposes. In view of the fact that these safeguards have so far proven ineffective, as demonstrated by the actions of India in producing the capacity for making a nuclear bomb, may I ask the minister what additional safeguards the government has in mind to ensure that safeguards will be much more effective than they have been up till now?

Mr. Macdonald (Rosedale): Mr. Speaker, I must correct the hon. gentleman when he says the safeguards have been ineffective. It is clear from the nuclear explosion in India that they used the benefits of the research reactor supplied to them in the fifties by the United States and Canada at a time when safeguards were not established at the international level and before the present system of safeguards had evolved.

The subsequent Canadian nuclear reactor and technology supplied for power purposes are covered by safeguards, as indeed are further supplies of technology. In this sense one cannot blame the current system of safeguards for the action India may have taken, using a research reactor not covered by the safeguard system. The government of Canada over the years sought to include that research reactor under the safeguard system. For reasons now obvious, India refused to co-operate and I think we all regret that she took the action she did.

Since May 18, the date of the explosion in India, the policy of the government regarding the transfer of nuclear

technology and, indeed, the sale of uranium itself has been not only to stipulate the international level of safeguards but to stipulate a higher level of safeguards by bilateral agreement in order to ensure that uranium or technology in connection therewith will not be used for nuclear explosions whether described as peaceful or not.

The legal argument raised by the government of India was that the international system permits the development of an explosive for peaceful purposes. Canada does not accept that. Once you have this technology, it cannot be misapplied in other directions, and we have put this further requirement upon nuclear sales by this country.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Does that include the spent fuel, too?

Mr. Macdonald (Rosedale): Yes, the safeguards include the spent fuel. I think one of the questions Canada should involve itself in over time is not only safeguard requirements and inspection by the International Atomic Energy Agency but whether we should stipulate in all sales that the spent fuel, plutonium, be returned to this country so that it would not be available for other applications.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, perhaps what has just occurred shows that the question period will come to an end of its own volition even if we do not have a time limit. I should like to begin by congratulating the new Speaker upon the elevation to his high position in the House of Commons. I am sure all hon. members wish him success in the execution of the exacting duties that his office entails.

I wish to reflect briefly upon the recent election and devote the major part of my speech to the subject of national defence. Canada seems to have had two elections this summer, one in western Canada and the other in the rest of the country. The only similarity was in their both being on July 8. In the west, the Progressive Conservative Party gained seats—in Manitoba, Saskatchewan and British Columbia—and they were denied doing so in Alberta only because they already held 100 per cent of the seats there. In my province of British Columbia, the Progressive Conservatives, who held no seats two years ago, now hold a majority of seats. During the recent election, the Conservative received approximately 42 per cent of the vote, the Liberals 33 per cent and the NDP 23 per cent. I have introduced this point to serve as a backdrop for a question that concerns me greatly, that is, the continuing and growing alienation of western Canada from the rest of the country. The conduct of the campaign and the result of the federal election have contributed to this alienation. Despite the fact that westerners are demonstrably on a three-party system, the four western provinces have for the second election in a row voted overwhelmingly Conservative. In the last election, 72 per cent of the western members returned to this House are of that party, yet the west is now faced with a government which does not understand their problems and has been manifestly incapable of solving them.

● (1420)

The election is over and the Liberals won. However, I do not think that those occupying the government benches are entirely pleased with the manner in which the election was conducted by their party. I believe there are men and women of high principle in the Liberal party, and it is this group which must surely feel some disquiet or remorse over the methods employed during the campaign. The different approaches to the election seem to be typified in two quotations, one by the leader of the Conservative Party who at a very difficult time in the campaign said:

There are some things in life more important than winning an election.

On the other hand, a well-known Liberal said:

Whatever is necessary to do to win the election, that I will do.

The second quotation typifies that which I found most objectionable about the election. Any party which subscribes to the motto, "Whatever is necessary to do to win the election, that I will do" is subscribing to a philosophy that many Canadians find abhorrent. Indeed, to honour such an expediency by giving it the status of a philosophy is little more than effrontery. This Liberal ethos may explain their lowering themselves to playing upon ethnic prejudices. How else is one to explain Liberal advertising in Quebec urging the Quebecois to vote against "Mr. Stanfield" and to vote for "Monsieur Trudeau"? The leader of the Progressive Conservatives is surely the last Canadian politician who deserves to be the object of such bigotry. Those who plead for votes for the Liberal Party as the party of unity should be deeply shamed by such racist attacks upon our leader during the last election campaign.

Let us consider, now, the Minister of Finance (Mr. Turner), that man of integrity who can look into the colour TV cameras with his china-blue eyes and say, "I believe in levelling and being honest with the Canadian people". Why did this man remain silent when the Prime Minister (Mr. Trudeau) was making promises that the Minister of Finance knew could not be kept? I can only conclude that his principles are not as lofty as he would wish us to believe and that he, too, would do whatever is necessary to win an election. In remaining mute on the mendacity implicit in the Prime Minister's promises, his expediency was that of silence and omission. Perhaps the minister feels there is moral superiority in committing sins of omission rather than sins of commission. I should like to remind him of the well-known quotation, "If you're not part of the solution, you're part of the problem".

Another nefarious tactic of the Liberal Party was the blatant use of the Senate of Canada as a campaign headquarters. The national campaign chairman was a senator; the campaign chairman in British Columbia was also a senator. These people are appointed to office to serve their regions and all Canadians in their regions, not just to serve the Liberal Party. However, it is quite clear that not only does the Prime Minister expect them to serve the Liberal party during election campaigns but he rewards them for doing so. The Prime Minister speaks of reform of the Senate. The first reform should be to ensure that he does not use senators in the manner in which he used them last summer, when in fact a large part of the Liberal campaign committee was paid for, unwittingly, by the taxpayers. The government had four western ministers before the election. One was defeated, one was demoted and two were returned with reduced majorities. I would like to compliment the Minister of National Defence (Mr. Richardson) for narrowly avoiding the fate of the minister

of fisheries or the fate of the former minister of urban affairs.

It has become apparent over the last few years that the only opportunity one has to speak on defence in this House arises during either the throne speech or the budget speech. Despite the fact that defence is crucial to our national and international stature, it has served the purposes of the government to give the Department of National Defence the lowest possible profile among government departments. I would not like to imply that the Minister of National Defence and the government intentionally misled the Canadian people about Canada's defence position before the election, but there is a rather remarkable difference between the statements the minister made a year ago and those he has made recently.

What has changed most is that a year ago the government was in a minority position, faced with an election, and now it is in a majority position and will not have an election for some four years. This change in circumstances may account for the startling reversal of the minister. About a year ago, the minister put out a document explaining the wonderful things he was going to do for Canada's armed forces. Now, in the revealing light of post-election reality, he has changed that position drastically. I would be pleased to see the minister stand in the House and speak on defence. The hollowness of the minister's promises of last October, when he said he would be able to increase the capital budget of the armed forces substantially, to enable it to purchase additional and new equipment by virtue of this 7 per cent increase, I suggest is sheer mockery. Any housewife in Canada realizes that with a 7 per cent increase in your budget over that of 1973 one cannot do anything but cut losses and reduce purchases.

Inflation did not start on July 8; it started several years ago and was running at a much higher rate than 7 per cent at the time the minister made his statement. Now that the election is over, the minister said, after being questioned in the House, "Cuts will have to be considered in all areas—operating, personnel and capital expenditure." Our troops have been operating on a very skimpy budget over the past six years. They have been forced to reduce their numbers, to cut back on their equipment and to defer plans for modernization. Now a program is to be brought in which will make the past six years look like days of roses and wine to the troops. Whenever Liberal governments want to restrict expenditures, they always seem to look at defence. This is hardly surprising, I suppose, for one should remember these words of the Prime Minister:

I would like to have generals looking at our whole military machine and saying, "You know this is not really important today".

● (1430)

Something will have to give; the government cannot continue loading role on top of role upon the armed forces while simultaneously throttling their budgetery purchasing power. Let us consider the armed forces in somewhat greater detail. I shall, perhaps, be excused for referring to the navy, army and air force—terms meaningful to most Canadians. In their unification, the various "elements" share one dominant characteristic: they are all short of equipment. The navy, perhaps, has had slightly higher capital budgets relative to the other two forces. This seems to have been due to a concept popular in the late 1940s when it was decreed that Canada would specialize in anti-submarine warfare. The military situation in the world has changed a great deal over the last 25 years. I believe that in the current situation this overly narrow specialization in the submarine detection role has been harmful to the general operating capability of the force. The central task required of Canadian marine forces in the near future is not likely to be submarine detection but, rather, the preservation of sovereignty over the waters adjacent to our coasts.

At the same time as Canada is extending claims of sovereignty over these areas and is hence demanding more of the navy, a cut-back in personnel has required our navy to lay up ship after ship. The minister has been, unsuccessfully, trotting around the countries of the world in an attempt to lease out these ships presumably on some sort of a "U-Drive" basis. What a sorry spectacle! However, in comparison with other services the navy is fortunate in that it has something in the way of new equipment: it has four DDH-280 destroyers which are probably among the world's finest anti-submarine vessels. They are doubtless among the world's most expensive. Their cost has never been fully divulged, and I hope that during this session the minister will see fit to answer questions which will appear on the order paper concerning the cost of the DDH-280s. Now that the last of the four has become operational with the fleet, there no longer exists the minister's faint excuse for not divulging the cost to the previous parliament.

No doubt these ships and their men are extremely efficient and well suited to a submarine detection role. But is this the role for which we should be preparing our navy, or shall we find ourselves in the unsatisfactory position of having the equipment determine the role? As I said a few moments ago, the role which I see for our navy in the foreseeable future will not be solely anti-submarine but protection of the sovereignty of our coastal waters. A more unlikely vessel than the 4,500-ton DDH-280 to accomplish this task is hard to conceive, particularly when one considers that the surface-to-surface capability of these $75 million destroyers is almost non-existent. We live in a world where surface-to-surface missiles with an over the horizon capability are being mounted on gunboats, and a match between a gunboat which costs around $6 million and our new destroyers would surely find the smart money being bet on the gunboat.

Let us now consider the air force. Here the capital equipment problem is most acute. The CF-104 located in Germany recently has gone through an expensive conversion to enable it to fire cannon instead of being armed with atomic weapons. Our allies in Europe are looking toward the next generation of fighters. They have developed the MRCA multiple-role combat aircraft. We have not yet been told why Canada was not involved in the research and development of this aircraft. In Canada we have two squadrons of CF-5s. The kindest thing I have heard said of the CF-5 is that every emerging nation should have one. The big and expensive concern in this area is, of course, the longrange patrol aircraft which is to replace the four maritime patrol squadrons of aging Argus aircraft which are with the maritime element. The cost of this replacement is edging close to the billion dollar mark,

and as our modernization program apparently is to be geared to the availability of money and not the need for the aircraft, I wonder if this government is really likely to replace the Argus in the near future.

The interceptor squadrons of air defence command fly the F-101C aircraft, which probably is the only plane in our forces which is appropriate for the role it has been given. I am not at all convinced this role is right and proper for Canada. However, I will deal with that matter a little later. To sum up the situation in respect of the air element, we are looking at the replacement of two aircraft for an extremely large sum of money, something like $2 billion. For long-range patrol aircraft replacement the government has considered the Orion and a Lougheed redesigned 707. We have spent $11 million this year and have asked the aircraft company to submit further studies. In either case we are considering buying ten-year old foreign aircraft and will be replacing aged aircraft with middle-aged aircraft. We seem always to be hoping to get the last of the production run from an American factory.

Finally, let us consider our ground force, the army. It is a strange experience to visit army camps in Canada. Half of the army personnel appear to be living or training in an uncertain future, while the other half are living or training in the distant past. There are helicopters in use, on the one hand, and 25-year old guns on the other. Although this applies to many other pieces of equipment, I would mention as an example the handling by the Canadian government of the purchase of tanks for our army. One could quote *Hansard* chapter and verse over the last few years to illustrate that the army was to be given tanks almost immediately. Such statements go back to the days of Edgar Benson.

The government has procrastinated and equivocated on this matter and now Canada's finest armoured troops are equipped with 30 Centurion medium tanks of 1946 vintage. It might be of interest to the House to put this matter in perspective. The International Institute for Strategic Studies, military balance for 1973-74, at page 95 sets out the main battle tanks held in central Europe. NATO formations hold 6,755, Warsaw Pact nations 13,800, and Canada 30.

The minister, before the dissolution of the last parliament, announced that he did not intend to replace the Centurion tank at that time. I understand he will participate in this debate. I ask him to make a statement on the future of the Royal Canadian Armoured Corps so that the men of that force will know whether they will be given a replacement for the tank, whether it be an armoured car or another tank, or whether they are to be transferred willy-nilly into other corps. This is the lifetime occupation of these men, and I believe they have a right to know.

Having considered the equipment of the three components of our forces, it should be abundantly clear that, as General Simonds—one of the truly great military figures of our country—once said cynically, indeed Canada has a military policy: the forces will recruit troops in times of high unemployment and will buy equipment when the government desperately needs to keep an industry alive. The fact that the government has given the forces roles which demand modern equipment should carry with it a commitment that it will provide the necessary equipment.

I should like to say a few words about NORAD. The committee on external affairs and national defence tabled a report a year ago last April recommending that the NORAD agreement not be signed for another five years but for two years only, and that in the ensuing two years an extensive and in-depth examination of the value of our role in NORAD should be undertaken. That resulted in Canada signing a two-year agreement to extend NORAD, I believe on May 12, 1973. This agreement expires on May 12, 1975. Some 18 months have gone by, and not one meeting of the defence committee has been held with that subject on the agenda. Again the time is becoming short before the treaty must be renewed or cancelled. In a very few months from now we will be forced to make another hasty decision on one of our most important international agreements.

I do not wish to make a definitive statement about the value of NORAD because I realize, if the government does not, that there is need for such a study before members make up their minds on this important matter. NORAD is not an ordinary alliance between two countries; it is an intermeshing of the components of our forces which are engaged in the air defence of our continent. We should know what we are doing before we try to upgrade NORAD. Let us study the matter to see whether the role Canada is playing is the one that Canadians want to play. We must think of the cost to Canada of being involved in NORAD.

● (1440)

A cost that we must consider is that in the attempt to counteract 7 per cent of the atomic threat to this country we agreed to accept, and still accept, atomic warheads on Canadian soil. That was some 15 years ago, so it is time we took another look at that program. I do not praise it or condemn it, but I want members of parliament to study the matter and know what they are voting for when the next vote takes place. I hope we will find it a satisfactory arrangement and will be able to offer advice to improve intercountry co-ordination and possibly diminish the enmeshment of our troops so that we will have a little more independence than at present. As an aside on the parliamentary level, let me point out that when the Prime Minister considers reforming parliament he should take into account the fact that the combination of defence and external affairs in one standing committee serves only to hinder the operation of both departments. We should have two committees to deal with matters concerning two departments. Both major parties in the House have for some time two-platooned that committee. I believe this has been to the detriment of both external affairs and national defence. A good example of this is at hand. Last Monday, the external affairs and national defence committee elected its chairman, who was immediately sent to New York. He will be coming back next Monday or Tuesday and we will hold a meeting of the steering committee, at which I expect we will set aside some time to discuss the estimates of the Department of National Defence. However, those estimates must be back in the House by the following Monday, so we shall have only two or three days to consider them in committee. This is a less than cursory examination of a $2 billion budget.

To sum up, Mr. Speaker, it seems to me there are very few bright spots in the Canadian defence picture. The only one—and it never ceases to impress me—is the dedication, professionalism and expertise of the troops in our armed forces.

Some hon. Members: Hear, hear!

Mr. McKinnon: They are able to take on roles that would try the patience of saints, and they do this under political direction which seems implacably opposed to treating them as the valuable members of our society that they are. As a member of NATO, Canada should find it embarrassing that in our defence expenditure, expressed as a percentage of the gross national product, we are second to last among the 13 nations listed. If we look at the percentage of people serving in our armed forces, out of men of military age in North America—that is, Canada and the United States—as well as the 19 European nations of NATO and the Warsaw Pact, it shows us to be last on the list.

Worse than that, small as is the budget that we allot to national defence, a more critical statistic demonstrates how the budget is allotted. The International Institute for Strategic Studies points out that in the category "Pay and allowances plus maintenance" Canada spends 89.8 per cent of her military budget. Of the other five nations listed, namely, Britain, France, Germany, Japan and the U.S.A., none spends within 20 per cent of Canada's figure. To understand this one should consider this matter in another way. The percentage of each budget which goes for research and development, equipment and capital costs, shows Canada at 10.2 per cent while the other five nations are listed at over 30 per cent. This is the true test of whether or not a nation is keeping a modern force, properly equipped. It seems to me that in the world situation today one can say there are possibilities for only two types of war—nuclear and non-nuclear. There is no third type. There cannot be a partly nuclear or a limited nuclear war. I do not think the present minister or the government have ever clearly understood that these two types of war are completely dissimilar. Therefore, we find ourselves between two stools: part of our forces are training and planning for a possible nuclear war or a partly nuclear war, and other parts are training to participate in a conventional war. The lack of clear definition from their political masters is the main reason for this uncertainty.

The minister's replies to questions on October 4 and 7 indicate that the budgetary situation of the forces is critical. The minister has been forcing them to subsist on a barebones budget for years, always with the promise that he would use the money saved to buy equipment. His predecessor did the same thing, as did the minister before him. There are always two promises which the Liberals make— I am repeating what I said last November 15 as recorded in *Hansard*—and one is that they will reduce the forces while the other is that they will use the money saved to buy equipment. They always keep the first promise and break the second.

The minister is now speaking of a 50,000-man force that is well equipped. I do not think the forces can be forever deceived in this manner. They have been told too often that if they will take cuts in personnel, they will get equipment. The minister has tried this tactic once too often. I spoke to a financial man today, asking if the cuts referred to could possibly be put into effect. He left me with the impression that the Department of National Defence might be the first government department ever to be declared bankrupt. His final words were, "Mr. McKinnon, tell the minister to put the department in his wife's name".

Some hon. Members: Hear, hear!

Mr. McKinnon: Our defence situation is serious. Funds seem to be low, but no lower than morale in the services. The result of years of neglect is beginning to show. The minister cannot further reduce the stringent budget of the forces without doing them serious harm. It is the responsibility of the minister to ensure that this does not happen. Above all, let us have no more pre-election type press releases promising the moon to the forces and cutting them down as soon as the voting is over.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, please accept greetings directed at yourself and all honourable members of this House from the constituents of the Northwest Territories. I represent the largest constituency in the world. I believe we are in the Guiness Book of Records. But it is a record of which no one can be very proud. We in the Northwest Territories would gladly give up that honour in the interest of having more representation in this House. In the Northwest Territories there are 1,350,000 square miles, with 40,000 people scattered in some 80 communities, separated not only by large distances, made more difficult by the harsh climate, but also by cultural differences and by language. All this makes the job of representation more difficult than that of any other member of the House. The Northwest Territories comprise a very large land which is very thinly populated. But in fact it has not the smallest population in the country; a number of other ridings have smaller populations. One of these, of course, is the Yukon. Although they have a more compact constituency, at least they have a few more roads than the Northwest Territories.

Of the four ridings in Prince Edward Island, three have smaller populations than the Northwest Territories. In the case of P.E.I. it has been recognized that the principle of strict representation by population cannot always be followed and safeguards have traditionally been applied to ensure that the representation of P.E.I. does not fall below a certain number. This is all to the good; it should be this way. But it should be clear to anyone who has looked carefully at the case that the same principle must apply to the Northwest Territories. It is not possible for one man effectively to represent the whole of the Northwest Territories. To give honourable members some idea of the problems that a member from the Northwest Territories must face, I would mention that the size of my riding is literally the distance from one of our oceans to the other. Simply to visit each community and to spend two days in each would take up eight months of each year. A good deal of this is travelling time alone, and that can change depending on the weather. The weather up there changes very rapidly, especially along the Arctic coast. Some communities cannot even be reached for part of the year, and some can only be reached by charter aircraft. It is impos-

sible to get into many communities during the fall freeze-up and the spring break-up.

● (1450)

It is also impossible to get to many of my people through the mails or the newspapers, because many of them cannot read. And in addition to French and English, the people of the Northwest Territories speak at least six separate native dialects. They are separated not only by distance and by climate but by huge cultural differences and equally huge language problems. Travel is made much more difficult, also, by the poorly developed facilities in the north. All our supplies have to be brought in either by boat, in the summer, or by airplane, In most parts of the Northwest Territories the airplane is the only way to get around and air travel costs much more than in the southern parts of Canada. Here are a few examples, Mr. Speaker. The return fare from Montreal to Toronto is $74, while the return fare from Cambridge Bay to Spence Bay—which is about 40 miles less, in a straight line—is $230. That is a big difference. The return fare from Montreal to Winnipeg is $178, while the return fare from Edmonton to Inuvik, an equal distance, is $312.

There are no government offices for most of my constituents. They cannot walk down the street to a Canada Manpower centre or jump on a bus and go to a government office. It is for these reasons, among others, that I will reintroduce my private member's bill calling for at least two members to represent the Northwest Territories. This will be the third time I have introduced such a bill, and I urge every member of this hon. House to seriously consider it when it comes before them. It is particularly appropriate and important that we look at this issue now, for in the next few weeks we will be considering the question of redistributing seats in the House of Commons. If this issue is not dealt with now, it will be several years before we can look at it again.

While we are on the subject of representation in the Northwest Territories, I would like to mention another important issue. The Northwest Territories do not yet have responsible government. The history books tell us that Joseph Howe, in the first half of the nineteenth century, was called the father of responsible government. I am sorry to say, Mr. Speaker, that in the last half of the twentieth century the Northwest Territories are still not part of that family.

Provincial status for the Northwest Territories has been talked about for years, but it has never been taken seriously. In the next few years this question will become more and more important as the population of the Northwest Territories grows and as vast economic developments take place—developments over which the people of the Northwest Territories have little or no control—and in most cases, no control. It is time to talk about bringing responsible government to the Northwest Territories as the first step to this area being made a province some time in the future. I do not say the Northwest Territories should become a province next week, or even next year. The people of the Northwest Territories must first have some experience in governing themselves. But this will not happen unless we are allowed to elect our own government and unless that government has some control over funds, over resources and over the economic and social development of the territory.

This lack of control can be seen not only in government but also in administration. There are very few native employees in the territorial government, and very few of these are in positions of responsibility. Out of a total of over 1,600 Northwest Territories employees working in the Northwest Territories in 1972, only 305 were native people. Of the 182 of these classified as scientific and professional, none was native. Neither of the two executives was native. Our governors are imported from the south, and the administrators who carry out their orders for the most part are imported along with them.

Mr. Speaker, the Northwest Territories remains as it was before it was ceded by the Hudson's Bay Company over a hundred years ago, a territory run by and for an absentee governor—a kind of government by remote control. We desperately need programs and services that are taken for granted in other parts of the country, this great land of ours known as Canada. Health services are not just poor; they do not exist for most people in the Northwest Territories for most of the year. The health of my constituents is surely the worst in Canada. In all of the Northwest Territories there are only 16 doctors and 15 dentists. Dental care does not exist in most parts of the Northwest Territories.

I should like now to quote briefly from a newscast on CFFB Frobisher Bay on September 3, 1974, and I would ask hon. members to listen very carefully. Here it is in part:

> The lowest nutrition standards and the highest infant mortality rate in North America. That is the grim statistic and according to a Frobisher Bay doctor, the situation is getting worse.
>
> In a random series of tests conducted by Dr. Alex Williams of the Frobisher General Hospital, over 75 per cent of the pregnant Inuit women and young Inuit children examined, showed critically low nutrition levels. In a number of cases, said the former chief of medical staff, vitamin A and vitamin C necessary for the prevention of infection and skin disease, simply were not present. The results, he said, were children, if they survived, who at as little as eight days old, had perforated ear drums, systematic infections, skin sores and almost no resistance to disease. Not only that, the IQ level of children born with these vitamin deficiencies was 20 per cent to 40 per cent lower than average.

Much of this could be improved with training programs for northerners. We can handle many of our own problems if we are given a chance to do it. A government training program that would turn out only ten pilots a year over the next five years would be wonders for this situation. But this would be only a beginning. We need pilots and mechanics, doctors, dentists and nurses. We need airstrips, and we need airplanes to use the airstrips. We need many more navigational aids to facilitate the aviation industry up there. Because of the great distances involved, it is one of the most important industries. Railways in the southern part of this country have been subsidized for generations to the tune of several hundred million dollars. The federal government subsidy for the short takeoff and landing commuter plane between Ottawa and Montreal was over $25 million, by its own figures. In the north, where transportation problems are much more serious, we need the same kind of subsidization. The result of high transportation costs is a cost of living higher than anywhere else in Canada.

For example, Yellowknife food prices are 20.13 per cent higher than those in Edmonton. Here are a few price comparisons for hon. members to think about: chicken in Edmonton is about 87 cents per pound; in Yellowknife, $1.19; medium eggs are 90 cents a dozen in Edmonton, while the Yellowknife price is $1.09. Orange juice is 61 cents in Edmonton; 85 cents in Yellowknife. These prices are low compared with prices along the Arctic coast or the Mackenzie River. In the villages along the river a dozen eggs cost $1.98 or $2, if they are available.

We need funds, not hand-outs, for economic development. We would like funds that we can put to use where we see need, whether it be training programs, setting up small businesses or whatever is necessary. The government of the Northwest Territories develops programs that look good on paper, but when people come to apply for a loan to set up a small business somewhere, or a restaurant or a shipping company, they run into a lot of red tape. All hon. members know what I am talking about when I say we have to cut red tape. Down here you can at least cut it. We have more serious problems. Up there we have to cut the tape lengthwise.

● (1500)

Some hon. Members: Hear, hear!

Mr. Firth: I would like to talk briefly about another group that I think I can call my people—native people all over Canada. They suffer the same problems as my constituents, neglect and paternalism. When Statistics Canada does its surveys on income distribution, it does not include my people. When it does its surveys on unemployment, it does not include my people. Statistics Canada says that its "sample frame" does not yet extend to the Northwest Territories or the Yukon. It does not extend to Indians on reservations. Is it because they would make the figures look worse than they are, or is it because they have just forgotten to include these people?

The amount of space devoted to northern problems and to native problems in the throne speech suggests that we have just been forgotten, or overlooked. Having seen what the government has been able to come up with for the rest of Canada in its throne speech, I am tempted to say that it is not really so bad to be overlooked.

Some hon. Members: Hear, hear!

Mr. Firth: If the unemployment rate goes up in the next few months, as it probably will, it will make little real difference. The people of the north, and native people all over Canada, are in a permanent depression that makes the 1929 crash look tame by comparison. The Metis people of northern Saskatchewan, for instance, have an unemployment rate that is easily ten times the national average. The Senate report on poverty discovered that nearly half the status Indians in Canada at the time were unemployed. There are few jobs to be lost because so few of the people whom I represent have been unable to get worthwhile jobs either from the government or from the resource corporations that have lately become so interested in the north.

Restraints on government spending are nothing new for the north or for native people in general. It has never been any other way. I would like to know just how much of the Indian Affairs program budget of some $366 million this year will actually reach native people in a form which is useful to them. I have a feeling it will not be very much. It is time this government stopped overlooking these people. It is time the government stopped looking at native land claims as a nuisance and starting looking at them as an opportunity to provide the original inhabitants of this country with a decent standard of life, with dignity. It is time for imaginative and bold measures to give the north some measure of self-government. It is time for the government to provide the funds and the training so that northern poeple can become full members of this country, of this just society.

This country will face huge problems in the years ahead. The problem with the resource corporations which want to take all the wealth out of the north without putting anything back is one that all Canadians have had and will continue to have, as I and other members of my party have pointed out many times. The task of providing everyone in the country with a decent standard of life, with dignity, has not yet been carried out. The problem of northerners and of native people in general is only the most extreme example of a problem that all ordinary Canadians have when they confront a system that values profits more highly than people. In solving it for these people, we may learn how to solve it for all Canadians.

The people of whom I have just spoken need assurance that they will share equally in the nation's progress in the years to come. I am disappointed that the government did not see fit to give such assurance in its throne speech. The problems of which I have spoken may not be the only problems the government will face in the coming months and years, but they are among the most serious. There are three important areas of concern for the north. I hope hon. members will bear them in mind, study them and try to find ways of solving our problems. I refer to providing more responsible government for the Northwest Territories, more representation in terms of two members from the Northwest Territories and, of prime importance, the problems of native people all across Canada.

Hon. Herb Gray (Windsor West): Mr. Speaker, I wish to begin by congratulating you and your deputies upon your appointments. I am confident you will carry out your responsibilities with skill and distinction in the great tradition of your predecessor. I also wish to congratulate the mover and the seconder on their remarks, remarks which demonstrated their ability and indicated the promise of future achievement.

I am understandably pleased that the Speech from the Throne carries forward much of my work as minister of consumer and corporate affairs. The speech proposes the reintroduction of the first stage combines bill amendments, the Canada Business Corporations Act and its Canadian director provisions, and the anti-profiteering legislation, all of which I presented to the House during the last parliament. The speech also mentions a comprehensive overhaul of consumer credit legislation, total revision of our bankruptcy law, improved safety of consumer electrical products, and the establishment of more consumer storefront offices. All these are measures involve initiatives which I took, work which I did and which I

announced prior to July 8. These measures are important to the well-being of all Canadians as consumers. I believe these were among the measures Canadian voters had in mind when they gave the government such a strong vote of confidence on election day.

The government, in the throne speech, identifies inflation as Canada's most serious problem and says "it is necessary to both deal with its causes and mitigate its effects". There is as yet no clearcut final consensus among economists today as to the causes of inflation, nor of the best way to achieve its cure. But increasingly economists are saying that it is wrong to rely solely on macro-economic policies, broad brush policies involving monetary and fiscal measures affecting the entire economy in a general way. Instead, they say that more attention must be paid to micro-economic matters, to particular situations in the economy as well as to its general operation. In other words, they say there are structural problems in the Canadian and world economy lying behind many of the upward pressures on prices that we have seen in our country.

They argue that concentrations of economic power may well be able to achieve higher prices for their products and pass these prices on to the rest of the economy, free from the total pressures of the marketplace. These prices would then, in turn, help bring about price increases in other goods and services, and on and on in the inflationary spiral. While monetary and fiscal policies may ultimately be able to deal with these effects of concentrations of economic power, this could well be a lengthy process and in the meantime the impact of these general policies could bring about a disastrous slowdown to the economy as a whole.

● (1510)

If it is the case, as I think it is, that structural rigidities are among the important causes of today's inflation, then the government must have available to it the means to strike at them directly instead of relying solely on monetary and fiscal policies. Certainly, with the evidence we have of economic stagnation in Canada today, we should not take the risk of relying solely on these policies whose impact against inflation is primarily to slow down the entire economy. This is why I believe the government must have the stage one competition policy bill and the anti-profiteering bill among its primary weapons in its fight against inflation. They must be given very high legislative priority to ensure that their benefits will be available to Canadians as soon as possible.

I recognized that the time available to the House before Christmas for the consideration of legislation is limited. This is because of the time required for the debate on the Speech from the Throne and on the budget and for dealing with estimates. I understand that the government, therefore, intends to present only a small number of rather technical bills which are necessary to increase lending limits under certain programs such as that of the Export Development Corporation. Unless these bills are passed, the programs would cease to function. There is also the bill to increase veterans' benefits. But none of these measures is highly controversial. Surely it should, and must, be possible for the House leaders to negotiate limits to debate on them so that all these bills could go through the House in a very few days.

The result would be that the House could move immediately thereafter—and before Christmas—to the first stage competition bill and the anti-profiteering legislation. The first stage bill received second reading, that is, approval in principle, from the House and was well into consideration by the finance committee when the election came. At that time I had already submitted to the finance committee a series of amendments aimed at dealing with many of the valid points raised in public and parliamentary debate on the bill up to that point. I would, therefore, urge that the House agree to give the first stage competition bill second reading without another full second reading debate and refer it immediately to the finance committee so that its consideration could continue from the point at which the committee left off before election day.

If it is important to the fight against inflation that the first stage competition bill should become law as soon as possible, I believe it is equally important for the government to make the necessary policy decisions and present to the House, also as soon as possible, a bill to implement the second stage of the new competition policy. The first stage bill, which was given first reading last week, is identical to the one I presented before the election. That bill proposed strengthening the law against misleading advertising and giving new consumer protection in the field of warranties and guarantees as well as against certain undesirable selling practices. Also, it would give the Restrictive Trade Practices Commission new civil jurisdiction to make orders against practices such as refusal to deal which could have adverse effects on competition.

The bill would make it easier for the courts to find, on the facts, that there had been unlawful combinations in restraint of trade. It would extend the Combines Investigation Act generally to apply to the field of services. It would authorize higher penalties by the courts, both in terms of fines and imprisonment, for those convicted of offences against the act. In addition, for the first time it would give those injured by breaches of the act the right to sue for civil damages. These are all important and necessary steps in improving our competition law so that it would do more to help competitive pressures work more actively against rising prices in the economy.

The government decided during the last parliament that other possible changes in the anti-trust law pertaining to mergers, monopolies and specialization agreements would be dealt with in the second stage of legislative consideration. But these aspects, also, are highly relevant to dealing with the structural causes of inflation. I believe it is essential, therefore, that the second stage bill be produced without delay.

In my view, it should not be necessary for a further round of formal consultations with business and other groups to take place before the government makes up its mind as to the contents of the bill. After all, the process of review of competition policy has been going on since 1966 when the government referred the matter to the Economic Council for study and recommendation. The council issued its report in 1969. There was much public debate on the

contents of the report, as there was was after the first competition bill was presented in 1971.

A series of seminars was held by the Department of Consumer and Corporate Affairs in 1972 as a means of further consultation with business and other groups on all aspects of competition policy. Then there was the public and parliamentary debate when I presented the stage one bill to parliament in the fall of 1973. During all this period, briefs and recommendations were submitted to the government by interested groups. I believe, therefore, that the government is now in a position to make decisions as to the contents of the second stage bill. I believe that now is the time for decision and action on the bills covering both stages of legislative reform. There would still be ample opportunity for the views of all interested groups and individuals on the proposals in the second stage bill to be considered as it proceeded through the parliamentary process, especially during the committee stage.

I think the Speech from the Throne should also have made reference to plans by the government to present the second stage competition bill. The Speech from the Throne which we are considering announces the welcome decision by the government to extend the life of the Food Prices Review Board to the end of 1975. By this expression of confidence, the government confirms the credibility and degree of achievement I forecast the board would develop when I was speaking out in support of, and in defence of, the board here in the House and before the media during its first months of activity. However, in announcing the decision to extend the board's life to December, 1975, the Speech from the Throne is marked by what I consider to be a serious omission. If this omission represents the government's intentions, it means the board will lose much of its hard-won credibility and usefulness.

The Speech from the Throne says the board's mandate will be renewed "so that it may continue to report regularly on trends in food prices and analyse the reasons for price changes in specific areas." But these are only two of the three important terms of reference under which the board is presently operating. The third is that in reporting its findings it can make recommendations for action by the government and by the private sector. It was by virtue of this authority that it was able to make recommendations for the subsidy programs which have been helping to restrain increases in the prices of bread and milk. I shall have more to say about the milk subsidy in a few moments. This authority also helped make it possible for the board to recommend that action be taken in respect of what it found to be unwarranted increases in bread prices late last February.

As the House will recall, on the basis of these findings I personally intervened and was able to get the bakery industry to roll back bread prices to levels which the board found acceptable, levels which generally prevailed until the recently announced increases. These are increases about which, I might say, no one in government has so far had anything to say. I would call attention, also, to the board's recommendations for action with respect to egg marketing, recommendations which helped the government decide to begin dealing with that deteriorating situation.

[Mr. Gray.]

To continue its present and growing usefulness, the board must be able to go on making recommendations for action and to report its findings of fact and its recommendations directly to the public as it does at the present time. To take away this authority would make the renewal of the board's mandate largely meaningless. The government should indicate without delay its commitment to letting the board continue to exercise this authority to make recommendations for government and private action.

The government has rightly said in the Speech from the Throne that it does not intend "to deliberately generate slack in the economy in order to combat inflation." I think this means that parliament, and Canadians generally, must be vigilant to ensure that the government does not bring about such a result unintentionally rather than deliberately as an inadvertent side effect of measures whose ostensible purposes are quite different. Along with inflation there are disturbing signs of slowdown, of recession in the economy. Great care must be taken by the government not to do things which would precipitate the economy into deeper recession, or worse, in view of what this would obviously mean in terms of high unemployment and harm, particularly for the less fortunate groups in our economy.

● (1520)

There must be an equitable sharing of the burdens of dealing with inflation. These burdens must not be thrown disproportionately on the shoulders of the working people and small business people of our country. Of course, the government has said in the throne speech no one group should shoulder an unfair burden. This statement is one which we all welcome. However, the test of the government's effectiveness in reaching this objective lies in what is actually happening now and what will be happening over the coming months.

The government has said it will "exercise restraint in its own expenditures with particular emphasis on improving effectiveness and efficiency in existing operations." But frankly, when it comes to restraining government expenditures, I do not believe that the subsidy on fluid milk was the place to start. And yet we had an announcement last August that this subsidy to help restrain increases in the price of milk would be phased out over the next few months. I do not think that this step is consistent with a fair sharing of the burdens of inflation. It is one which will inevitably bring about a sizeable increase in the price of milk, a basic food so important to Canadian children. And the burden of this increase will fall primarily on lower income families, who pay a higher proportion of their incomes for food than other Canadian families.

The Food Prices Review Board has urged that this decision be changed. As the board said in its September 24 statement, "to withdraw the five-cent subsidy in the present circumstances and to do so over a scant four-month period appears to the board to impose an undesirably heavy burden on the Canadian consumer—In these circumstances, the board calls on government to take measures to moderate the rapid fluid milk price increases facing Canadians." The Food Prices Review Board made that statement on September 24, but no one in the government has as yet spoken out in support of this sensible and humane recommendation of the board.

It has been argued that increases in family allowances and other social benefits, and their indexing, will make up for the ending of this subsidy. But the government did not cancel the subsidy when it put into effect the increased family allowances and indexing schemes early in 1974. I believe the government should reverse its decision to eliminate the milk subsidy and, as the Food Prices Review Board said, "allow it to continue in the absence of discernible progress in the development of a long-term national dairy policy in view of the other food price increases which consumers currently face." So I hope there will soon be an announcement, in the interests of Canadian children and Canadian families, that the milk subsidy will not be cancelled.

Some hon. Members: Hear, hear!

Mr. Gray: In the throne speech the government has said, as it has said many times in the past, that higher production will be the way we will achieve, if not lower prices or stable prices, at least, as the speech puts it, "the slowing down of price advances." But this can be so only if an increased supply of goods is allowed by the government to exert downward pressures on prices. Increasing the supply of goods and services will do little, if anything, to lower prices if suppliers, because of their economic power, can keep their prices at the same level or even increase them. Increasing supply will not bring about lower prices if government policy itself serves to maintain prices, even when supply increases, or if government policy ratchets them even higher with each increase in the level of supply.

The American economist, Henrik Houthaker, has proposed an urgent examination of all his federal government's regulations and programs to see if they are in fact helping keep prices up. He presented a list of 45 such programs that may be having this effect in the United States. I am sure we could easily develop a similar list in Canada. We should carry out this kind of review in our country and the government should take action, in light of it, on an urgent basis.

Speaking about this kind of approach, another American economist, Gardner Ackley, has said that "this means a concerted attack on structural rigidities in our economy and an energetic effort to dismantle the many institutional, largely governmental, arrangements which raise particular costs and prices." As I said earlier in my remarks, we must make efforts to remove structural rigidities that contribute to inflation. The increasing of flexibility and of competitive pressures in our economy is a key micro-economic way of dealing with our inflation problems. I have already referred to the need in this context to move speedily to implement a reformed and tougher competition policy as well as the anti-profiteering legislation.

Another area which also requires urgent attention is our evolving national farm products marketing system. The will of parliament, as expressed in section 22 of the Farm Products Marketing Act, is that agencies set up under it are "to have due regard to the interests of producers and consumers." However, the recent reports of the Food Prices Review Board on egg marketing indicate that this direction from parliament is not being followed by at least the first of the farm product marketing agencies set up under that act, since CEMA appears up to now to have been geared to operate primarily in the producers' interest, to increase returns to them and to inhibit the benefits of increased production from being passed on to consumers in the form of lower prices.

Last week the Minister of Agriculture (Mr. Whelan) announced the government would be appointing additional members to the Farm Products Marketing Council. These members, he said, would not represent the producer interest but instead would be linked with consumers, business and labour. This announcement is welcome. In fact, it is long overdue. This is action I have long advocated and pressed for. The political atmosphere created in very recent weeks by the disclosure of the tragic and wasteful destruction of 28 million eggs finally gave the cabinet the will to take this kind of decision. But welcome as this step is, its true value for consumers should be kept in perspective. Producers will still make up the majority of members on the Farm Products Marketing Council and, in fact, this is required by the National Farm Products Marketing Agencies Act. The role of the council itself is very limited; it is to make recommendations to the Minister of Agriculture on whether national marketing agencies should be set up by the federal government. Also it reports to the Minister of Agriculture on their operation once they are created. But the real decisions on the supply and price of a commodity covered by a national marketing agency are made by the members of that agency. This is where the real power lies at present.

Nothing whatsoever has as yet been said by the government about any formal government decision to appoint consumer representatives to national marketing agencies as distinct from the Farm Products Marketing Council. With respect to provincial marketing agencies, I recognize it would be a lengthy and difficult task for the federal government to convince provincial governments to appoint consumer representatives to all provincial marketing boards. But this is an effort the government must also begin.

However, it is quite a different matter when it comes to the national agencies or boards set up by the federal governor in council by proclamation under the Farm Products Marketing Act. The act provides that the governor in council can designate the members of these agencies by proclamation. The act does provide that a majority of members of these agencies must be producers. But, in any event, I believe the government should proceed as quickly as possible to appoint consumer representatives to existing national marketing agencies. It should also state its commitment to appoint consumer representatives to any national agencies that may be created in future. All these appointments should be in sufficient numbers so that they can have a real impact on the decision-making by these agencies, and this means a commitment to amending the act, where necessary, to achieve this purpose.

If all this is not done, the gesture announced by the Minister of Agriculture last week will be largely without meaning. The Windsor *Star* of September 24, reported that Gordon Hill, president of the Ontario Federation of Agriculture, said that "he felt it would only be fair to let a consumer spokesman sit on the Ontario Farm Products Marketing Board and on the federal government's National Farm Products Marketing Council. One vote on the

regulatory boards would not swing much weight, he added, but it might give consumers a better insight into what goes on in the marketing of products." However, what is required is not simply a means of giving consumers a better insight into farm products marketing. Instead, they must in fact swing sufficient weight for them to play a meaningful role in decision-making. This can only come from proper representation of consumer and other non-producer interests on the farm products marketing agencies themselves, and not just on the Farm Products Marketing Council.

The appointment of consumers to these agencies is not an unwarranted intrusion into the private business of farming. Many farmers may not be willing to admit it, but marketing boards and agencies are a form of monopoly or a form of combination in restraint of trade. They fix prices, they regulate supply and they allocate markets. The members of these boards and the farmers dealing with them would, therefore, be subject to investigation and possible prosecution under the combines law if it were not for the clause in the Farm Products Marketing Act specifically excluding such national agencies from the impact of the combines act, our anti-trust law.

● (1530)

In other words, farmers could not lawfully organize their production through national marketing schemes without the authorization of the people of Canada generally, as given through parliament when it passed the Farm Products Marketing Agencies Act. When parliament did this, the Canadian people in effect authorized the government to set up bodies which are forms of monopolies or combines in restraint of trade. It follows, therefore, that the Canadian people must have an adequate means of ensuring that such bodies operate in the interests not just of one group but of all groups in Canada through the right kind of public supervision and regulation.

I believe that supply-management programs, if properly run and if constructed to operate in a way that balances the interests of farmers and consumers, can be essential in dealing with and stabilizing the food price situation in Canada. The recent disclosures about CEMA have shown what can go wrong with national marketing schemes. Fortunately, this knowledge has come early in the creation of national marketing agencies. Now is the time to appoint consumer representatives in sufficient number to ensure that both consumer and producer interests are taken into account in the decisions of these agencies. Now is also the time to review and amend the National Farm Products Marketing Act and other legislation where necessary to ensure that, in the words of the throne speech of last February, "guarantees against unduly low prices to producers must be coupled with guarantees against unduly high prices to consumers". These words, which I have quoted verbatim from the throne speech, unfortunately did not appear again in the present speech. I believe, therefore, that there should be a renewed public commitment by the government to this objective before this debate ends.

To conclude, Mr. Speaker, let me say that the Canadian people, in giving the government a majority mandate on July 8, did so in the expectation of meaningful action on inflation and other problems that confront us. They expect that the words of the throne speech will be translated into that kind of action as quickly as possible. In voting, they said they wanted a government that was Liberal not only in name but also liberal when it came to both policy orientation and action in terms of concern for people, of ongoing economic and social reform and of strengthening Canadian economic and cultural independence. When Canadian voters gave the government a majority on July 8, they were not simply challenging the government to show what it could do; they were saying, instead, that they expected a definite commitment from the government—a commitment to action, not acting, and a commitment to results, not rhetoric.

It is up to all members of this House of Commons, but especially to those on the government side, to see that the carrying out of this commitment in this positive way is in fact what happens, particularly during this first session and also throughout the entire life of this thirtieth parliament.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, may I have the pleasure of joining those who spoke before me to offer my congratulations to the movers of the Address in reply to the Speech from the Throne who acquitted themselves magnificently.

I would also like to congratulate the hon. leader of the House who was named to preside over our deliberations, a difficult task that he kindly accepted to see that parliamentary impartiality is respected both at the level of political parties and official languages.

It is with pride and joy that we can express ourselves in French and in English in a Parliament which always respects the established customs.

We hope that this freedom of expression in the two official languages will be respected from coast to coast so that each Canadian may feel at home everywhere in his country.

We also hope that this fair play will be felt more and more, not only in the official languages area, but also in the distribution of those goods which are essential to life, the natural goods which do not come to us from France or England, but directly from our national production so that all the most elementary needs of each citizen might be satisfied.

The first aim of the Parliament of Canada is to ensure the reign of distributory justice for all citizens of all classes. It is on this essential point that I would like to draw the attention of all the ministers and members of Parliament who were elected or re-elected during the last general election.

Mr. Speaker, I am very optimistic when confronted with life's obligations and I have always managed to face the economic problems of my family. However, I cannot help but see how my fellow Canadians in the riding of Rimouski and the rest of Canada lack the money or the purchasing power which would allow them to adequately participate in the riches of our country and the production of all working Canadians.

I am saddened by this and I am still seeking means to alleviate this tragic situation. To this end, I dared become

a member of the Parliament of Canada, with the belief that there lied the supreme authority of the country, where it would be possible to proceed to an adequate and just distribution of this country's wealth and production. I want my right to speak to be recognized and I insist on being taken seriously, especially when I speak of national product and of a better distribution among Canadians.

● (1540)

I see that this Parliament is composed of 57 new members and that 207 members or ministers belonged to the last Parliament. I also note that the former minority Liberal government has been returned to power with a majority sufficient to take its responsibilities without blaming its numerical weakness for its shortcomings. If it cannot settle the problems of Canada, it will only be because of the weakness of its aptitudes or of its character, or because it does not know its obligations and duties.

I am afraid the 57 new members will be as surprised as I was in the last few years at the uselessness of their presence, or their efforts here in Parliament.

Already in the Speech from the Throne and the speech of the right hon. Prime Minister (Mr. Trudeau), I see to what extent the international or world-wise character of inflation is being used as an excuse not to introduce decent reforms towards a fairer redistribution of the national product among all Canadians.

Instead of continuing to talk about inflation, unemployment and poverty, three of the main consequences of the poor distribution of income, work or purchasing power, why could we not, together, look at the magnificent results of the Canadian production in 1974, which reached $137 billion, that is $6,000 per citizen. If that is so, why do we not all live in affluence or at least in relative comfort?

Why is it that 22.5 million Canadian citizens, with an average per capita income of $6,000, are not satisfied with this production and that the people mainly responsible for the economy are always talking about the need to further increase this production? Have not the members of Parliament themselves asked this same question to the present ministers? It is not enough to produce what we need. We must also ensure a better distribution of this production and this is the responsibility of Parliament.

Mr. Speaker, even though our economy is very dependent upon our relations with foreign countries, far and near, our whole income and tax policy is the business of members of Parliament alone. No citizen of another country, whether from Rome, Paris, London or Washington, has the right to come and solve our problems in matters of family allowances, old age pensions or guaranteed personal incomes, in other words to interfere in business which concerns Canadians only from the moment of their birth to the day of their death. It is therefore in this House, on behalf of all the voters in each constituency, on behalf of all Canadian citizens, that we can best organize the distribution of income and taxes so that we may restore the economic balance between all Canadian citizens and eliminate inflation, unemployment and poverty, thanks to our great national product of $137 billion.

This, Mr. Speaker, is our most important work and responsibility, in other words, it is our only problem. We can consider our impressive national product—without thinking about inflation, unemployment, poverty. We must be careful not to let ourselves be conditioned by our old habits of considering the economic problems of distribution instead of considering the situation with a new approach, as the 57 new members will probably do. We shall perhaps then be able to find a solution to inflation, poverty and unemployment. If all Canadians enjoy an adequate purchasing power, if all production sells better and more, and the needs of each and everyone are met, then certainly in all areas, towns or parishes, all businesses will be more flourishing, all goods will find buyers, and all production of all goods and services will bring back all available unemployed everywhere.

Let us not blame anyone for the past. There is no use in it. Let us take a good look at the present. Let us know better our present situation and let us look at it as it is without letting ourselves be intimidated by past patters, and I am convinced we will have good surprises.

The right hon. Prime Minister seems to have lofty views about bringing home the constitution of Canada, about drafting a new constitution. Let us wish him every success in this endeavour which may be called for; but what is most important is not changes in the constitution but changes in the distribution of our production for the well being of all Canadians. Let us deal with the first, and then it will be easier, or perhaps unnecessary, to amend the constitution.

One thing remains certain, we can better distribute what we currently produce, and nothing in the constitution steps us from making a proper and fair distribution of incomes and taxes. Everything is there. Let us look at all the powers the government has under the present constitution.

Let us go over section 91 of the BNA Act and take good note of the following subsections stating that the federal government has all powers concerning trade and exchanges, the raising of public money through all modes of taxation, currency, monetary exchanges and coinage, banks and issue of paper money, and interest rates. I am referring to subsections (2), (3), (14), (15) and (19) of section 91 of the BNA Act.

Even if the earth and all the universe have existed for billions of years, even if manking has lived here for several thousand years it was only a few centuries ago that banks, monetary systems, forms of money, capital and credit as means of exchange were created. And money is continually taking new forms.

The monetary, credit, capital, banking and exchange systems, the national and multinational companies are all man-made institutions which must facilitate the lives of men within society, the exchange of goods, products and services which all are based on natural resources.

Mr. Speaker, it is not our debates—for we debate much too much—but our laws which must be blessed by the Almighty, Who may be talking to us through the mouths and pens of our greatest businessmen who are personally concerned about inflation.

The illness has reached its culminating point. Now, the big guns are thundering. It is no longer economists or university professors who are talking, but two of the highest administrators of our million-rich banks and com-

panies who are dealing with their shareholders as chairmen of the Royal Bank of Canada and the Bank of Montreal respectively, at the end of the financial year on October 31, 1973. The reference is exact and the documents in question are available at any branch of both these banks.

Let us be glad that these men are finally impressed by this everlasting situation of inflation, unemployment and poverty and that they sould request from the government the political rectifications necessary to restore national economic balance between all regions of our prosperous Canada. Everybody can find there most valuable advice.

Here are a few passages from the speech delivered by Mr. G. Arnold Hart, chairman of the Bank of Montreal, but the whole speech should be studied, it is as if it were directed to us, in this House. I quote:

There is no doubt that our economy is still corroded by inflation and it is increasingly urgent to heal it as times goes by.

All of us are collectively responsible in some way or other. But this question overrides the interests of all groups in our society; and neither capital, nor labour nor any single interest group, good as its organization may be, has the capacity and the responsibility for taking an overall view of the situation.

Only the state can do this and it alone has the responsibility for doing so.

Canadians generally want all members in the community to benefit from a higher living standard and quality of life made possible by economic achievements of this great country of ours.

I know Canadians will be ready to take up the challenge if the problem is put forward to them frankly.

The time has come for fundamental alteratives.

Will our elected representatives become aware of it?

This is talking frankly and sincerely!

Here now a few excerpts from the speech of Royal Bank of Canada Chairman Earle McLaughlin, administrator almighty.

We tried to outline the vital links between the bank and the society it serves.

Not only do economic disparities have an economic impact, they also frequently have painful human repercussions.

Those are real problems as people live them in their bodies and their souls. Thus, the rate of unemployment and the average per capita income are empty abstractions which do not bear witness to the ordeal of the jobless father trying to find the means to provide for his family.

We are one of the wealthiest countries in the world nowadays, and we enjoy an envied rate of living and prosperity.

Our national economic prosperity seems to dig ever wider the gap between "have" and "have not" areas.

The problem of economic disparities however conceals human situations that are too outrageous to be born simply with resignation.

National economic development is more than a simple matter of statistics and national gross product. It urgently calls for an orderly redistribution of the fruit of prosperity throughout the country.

How indeed could we take pride in our general economic growth if many of our fellow citizens do not get a fair share of that prosperity?

It seems that the most advantageous approach to regional disparities would be *to consider the problem in a national context* and not at the regional level.

This is speaking frankly and sincerely!

As we can see, the appeal comes from high authority, and it is the government of Canada that is called on to take action having full authority to plan our economy.

[Mr. Allard.]

Mr. Speaker, the chairmen of the two largest banks in Canada who are also serving as directors of the largest multimillionaire companies, must know a few things about the administration of our country. They are calling on the government to take decisive and efficient action in reestablishing the national economic balance between all Canadian citizens, thus removing at the same time inflation, unemployment and poverty.

Those are the major principles on which is based a total policy dictated to us by the most influential Canadians, a policy desired by all Canadians. The government is called upon to take action and we, in the opposition, are prepared to support it along this line.

● (1550)

[*English*]

Mr. Dean Whiteway (Selkirk): Mr. Speaker, this is a great day in my life. For 15 years I have wanted to serve as a member of the House of Commons. I grant you that my reasons over the 15 years have changed, but my enthusiasm certainly has not. I consider that being a member of this House is an honourable profession. As a matter of fact, the member who has brought to this House the most honour, certainly in my lifetime, has been the right hon. member for Prince Albert (Mr. Diefenbaker). So today I pay him tribute. It would be remiss of me not to mention another hon. member who for the past four years represented the riding of Selkirk, namely, Doug Rowland. Although he is not in the same political party as I am, he is an honest man and one of whom we were proud when he was a member of parliament.

Today I will deal with two basic areas. First, I wish to address some remarks on a more philosophical basis regarding the direction in which I think this government should be going. Second, I will tell you a story of a great naval battle which took place on the prairies. No doubt this will be of particular interest to the Minister of National Defence (Mr. Richardson) and the minister in charge of the Wheat Board. Finally, I will be much more parochial and will speak about Selkirk in particular.

Every member of parliament works from a basically philosophical principle—a pivotal point. My pivot centres around Biblical principles. I believe there are certain basic principles that are morally right, and certain that are morally wrong. I think that this government, and the Prime Minister (Mr. Trudeau) in particular, would be well advised to give some heed to those Biblical principles which are as applicable today to modern man as they have ever been. In particular, sir, I think it would be well for this government to realize that in Canada it is not the government that is sovereign, nor is the Queen or the Crown. In fact, we must go back to the sovereignty of God.

I point out to this government that it should give some measure of tribute, however small and insignificant it may be, to those basic scriptural principles on which our civilization was built. Furthermore, I think that this government would do well to understand that the government should rule from a principle of justice, not from a principle of power. I feel that the Prime Minister and his cabinet have not yet come to grips with this principle and have not made the choice between government by power and government by justice, even though they have used that

hollow phrase "the just society" since 1968. I think that this government would be well advised to agree that we should be the world leaders in establishing a massive development program, because if we are to consider justice for Canadians we cannot really apply justice in Canada unless we are prepared to do it in an honest way.

We should all agree that justice extends beyond our national boundaries to every man on the face of the earth. In terms of both our reserves and our natural resources, we probably can be considered one of the richest nations in the world. For us to think always in terms of nationalistic policy is both naive and provincial. I do not think the government can be commended for its infantile approach to this matter, as demonstrated by the fact that the CIDA program amounts to a commitment to world development of only 1 per cent of our gross national product. I wish also to warn the government and caution them against adopting an attitude of economic assimilation of other countries, believing that somehow these other countries should mould themselves to our viewpoint with regard to their economic development. I do not think the government would be well advised to take an ethnocentric development perspective. Rather, we should understand that perhaps other countries, although not developed to the same degree as we are, nevertheless on occasion may have stumbled upon some element of truth.

I should like to speak more on these basic philosophical principles but I want to leave myself enough time to refer to matters which pertain to the Selkirk riding. Therefore, I will now go into story time. I remember very well a morning early in May. I arose and the sun was shining as it usually does in Manitoba. A warm, gentle wind was blowing. As I walked out of my apartment on to the sidewalk, I found some alarm among the people there. The cry I heard was "The Liberals are coming, the Liberals are coming". You know, Mr. Speaker, Manitoba is very flat and that is why we have a great perspective; we can see a long way out.

I remember looking to the east into the distance and seeing this great Liberal armada making its way through the prairies. As it came closer, I noticed a great flagship and on the ship was Admiral Trudeau. On his right I saw a most impressive battleship on which was Rear-Admiral Richardson, or maybe I should say Rear-Rear-Rear-Rear-Admiral Richardson. On the left side of the ship was an aircraft carrier laden with 707 airplanes bound for the port of Winnipeg. There was some suggestion that perhaps there were some Air Canada planes on that ship as well. In total, there were some 45 most impressive ships in the fleet, with banners waving in the western wind.

I want to be honest in relating this story, so I must tell you that to meet this great fleet was but a small task force of loyal westerners, two Manitobans. That in itself would not have been bad, were we not facing a war on two fronts, because it seemed that over the previous 18 months the Liberals had allies and were coming from the rear with land forces. Now I want to dispose of the third party in the war, Mr. Speaker. As I remember, as the battle progressed this third element was somewhat confused and in disarray, not knowing whether they were fighting us or the oncoming Liberal fleet. What happened to that third force is well known on the prairies.

● (1600)

As I led my very small task force in Selkirk to meet this great fleet, I remembered the legend of a battleship which was tied up at the port of Prince Albert and allegedly was due to join the mothball fleet. With all the reserves I could muster, I called upon this great battleship of Prince Albert, and it was ready. Mr. Speaker, when a volley of shots came from this mighty Prince Albert battleship it hit that Liberal fleet with deadly accuracy and it hit Prime Minister with the sting of a thousand hornets.

In the early stages of this great battle it became very apparent to Rear-Admiral Richardson that he was losing, so he decided to call out the reserves from Halifax. It would seem that there were ships ready to go, but no crews to man them. Mr. Speaker, if the civil service were sailors, there would not be enough ships in the entire Dominion of Canada to accommodate them. Those ships were without a crew and could not come to the aid of the minister. This battle waged fiercely. It was an awesome battle for some eight weeks. When the smoke cleared late in the evening of July 8, the Liberal fleet had been sunk on the prairies and Rear-Admiral Richardson's ship was listing heavily to the left. There were only five survivors. Lieutenant-Colonel Lang was directing survival operations, encouraging the five men who were desperately clinging to a life-raft. Sir, that is a true story.

Some hon. Members: Hear hear!

Mr. Whiteway: Mr. Speaker, that great fleet from the east was an impressive sight. I want to make another point before I leave that great battle. Many members might wonder what happened to the flagship. Before the battle reached its height, the flagship had left to sail the waters of the St. Lawrence under more favourable conditions. This great fleet was only dwarfed in size by a fleet of Liberal pirate ships seen going from west to east with the plunder and booty they had stolen from western Canada. It is now believed, on the corner of Portage and Main in Winnipeg, that the aircraft carrier lost in battle did not have a cargo 707s bound for Winnipeg at all, but had some 28 million eggs.

An hon. Member: All rotten.

Mr. Whiteway: Their condition probably would not have been conducive of consumption, Mr. Speaker. For the next few minutes I should like to speak about the riding of Selkirk. The great philosopher, Mr. John Locke, once said that a man could not be converted by a one-time brilliant argument. Even if I were capable of delivering a brilliant argument, Mr. Speaker, I am certain I could not convert the Prime Minister—mainly because, I suppose, he is not even in the House to convert. I should be surprised if I, a novice, could bring the Prime Minister to his knees, in tears, in repentance, promising to bring forward better policies for this nation.

My role is not to convert the Prime Minister, but to be a depth-sounder. Anyone from the maritimes or who has travelled the oceans will know what a depth-sounder is. It is an instrument that sends an electronic wave to the bottom of the sea; the wave then bounces back and is measured, and from that they can tell how deep the water

is. Depth of water is usually measured in fathoms, which is about the span of an average man's arms, about six feet. I believe my role is to be a depth-sounder for the government of this country, to measure the depth of water for the ship of state in western Canada. I can tell you, Madam Speaker, if some government policies were a popsicle stick they would go aground in western Canada.

As a mere deckhand, I would not in my wildest moments of imagination even remotely consider advising the captain, the Prime Minister, as to the course his great ship of state should take in the west. But one thing I can do: I can watch diligently for the west and I can point out the reefs and the rocks, and I can tell the captain when the ship is nearing the shore. I want to be a depth-sounder in a few areas, particularly for the riding of Selkirk.

I may mention some towns that the Prime Minister and the government have never heard of, but I will take that chance. I might even have the honour of having the Prime Minister's eyes, even for a fleeting moment, look at the words that I speak today as they will appear in *Hansard*. There is in the Selkirk riding a town by the name of Gimli. Former ministers of defence know Gimli well, because they took from it an air force base that was vital to its survival. Only through the intestinal fortitude of the Vikings of Gimli, the town survived in spite of the federal government.

In Gimli there is a firm called Saunders Aircraft. I will not comment on whether it is a particularly viable industry at the present time. I am not one of those trigger-happy politicians who is willing to take a shot at Saunders Aircraft for any reason, but I will say that this Liberal government should extend the same kind of aid to it as is being given to eastern aircraft companies. The government should show us the formula they used in deciding the kind of subsidies and grants given to aircraft companies, so that we can understand their reasoning with respect to Saunders. They have recently paid token appreciation to the company's attempts to establish a viable industry in the town.

Some 15 years ago, the federal government—I must say it was not a Liberal government—built a great breakwater in Gimli but made no provision for its maintenance. Fifteen years later that breakwater is shifting. It is certainly inadequate in its present condition. I know that to some degree the government of Manitoba must assume responsibility because they raised the level of the lake two feet more than its level when the breakwater was built. However, we will not solve the problem by simply passing the buck and saying it is not the fault of the federal government that the water is rising. The fact is that the water has risen by two feet, the breakwater is inadequate and the town is in trouble. That is not the only deep water there is in Manitoba for this government.

● (1610)

Moving southerly down the lake from Gimli, we come to Sandy Hook. Counting all the dogs, cats and other living matter, I suppose the population of Sandy Hook is not in excess of 85 or 90 people. However, they have a problem. That problem is the post office. I know I should not take the time of the House to bring to the attention of this government a problem concerning only 80 people. Nevertheless, I hope this government will be responsive, no matter how small the group. The problem is that the post office in Sandy Hook closes at noon. No one can get their mail, because when the post office is open, everyone works. Let me say that everyone in western Canada works.

Some hon. Members: Hear, hear!

Mr. Whiteway: Perhaps I ought not to use the word "work" in this House. I do not mean to use foul language or to be offensive toward the government. However, this is a word that we in western Canada understand. We not only preach it, we practice it. I have a few comments to make about that. I do not want to let the government off the hook so easily. I want to bring to the attention of this government that if I have to, I will pitch a tent on the doorstep of the Postmaster General (Mr. Mackasey) until this problem in Sandy Hook is solved.

Some hon. Members: Hear, hear!

Mr. Whiteway: Moving down the coastline of Lake Winnipeg, we come to Selkirk, a most historic town. When you walk the streets of Selkirk, you can smell the history in the air. This town is probably of some importance to the Minister of State responsible for the fisheries (Mr. LeBlanc). Some years ago a study was undertaken to determine whether a fish processing plant should be built somewhere in Manitoba, under the auspices of the Freshwater Fish Marketing Board. I am sure hon. members from the maritimes and from British Columbia will appreciate this. Where is the most logical place to build a fish processing plant? It should be along the lake where the fish are caught. However, in the wisdom of this government the fish processing plant was built in the middle of a wheat field in Transcona.

Some hon. Members: Oh, oh!

Mr. Whiteway: You cannot see it because it is always in the shadow of the grain elevators. I would not suggest that the fact Transcona is in the constituency of the hon. member for St. Boniface (Mr. Guay) had any rationale; however, it seems to have more rationale than any other reason for building the plant in Transcona.

Some hon. Members: Hear, hear!

Mr. Whiteway: This fish processing plant has capital assets of approximately $6 million. Last year they had a net loss of $1.5 million. The government does not understand that because this plant is 20 miles from the lake it had an inventory loss.

I am only a deckhand. I do not understand the matters of the great ship of state. In my naïveté, I suggested very simply that it would make sense to move the fish processing plant from Transcona to Selkirk. But oh no, they could not do that. There are $6 million worth of fixed assets in Transcona; whatever will they do with those? My point is that in three years they will lose more money through keeping the plant in Transcona than the fixed assets ever will be worth. However, that simple attitude, that schoolboy arithmetic, certainly did not hold any water with this government. The people of Selkirk are sick and tired of

these fish stories coming from the ranks of those on the government benches. The government can keep the plant in Transcona until they or the people of Canada go broke, but for the sake of reason I ask them to build a small, token fish processing plant in Selkirk otherwise the ship of state will be on the rocks.

I have been watching the clock, Mr. Speaker, and I see my time is running out. Nevertheless, I will take the liberty of mentioning another problem. All along the eastern and western shores of Lake Winnipeg there has been tremendous erosion due to the abnormally high level of the lake because of the abnormal run-off levels this year and the fact that the provincial government has allowed the basic level to increase from 713 to 715 feet. Once again, the problem is provincial. It was never a problem before. The old cliché that an ounce of prevention is better than a pound of cure holds true in this case. However, to solve this problem we need several hundred thousand tons of prevention in order to stop further shoreline erosion. This government would be well advised to consider rip-rap, pilings and provide an adequate breakwater system all along the shoreline.

I could continue and speak about the city of Winnipeg, a large portion of which lies within Selkirk constituency. The basic problems of Winnipeg are not very different from those of any other city—urban transportation, housing, railroad relocation, and a hundred other things. However, my time is running out and I want to bring to light a matter which I mentioned very briefly. It concerns work. I believe that in western Canada there are jobs for most Canadians who really want to work. We in western Canada believe in the work ethic. This country was moulded by people who knew what it was to put in a hard day's work. They did not rely on winter works programs, unemployment insurance, LIP or LEAP grants or a hundred other make-work programs which this government has devised as a substitute for work.

I do not want to be accused of suggesting overly simplistic solutions. In fact, I am only discussing the problems, not suggesting in-depth solutions. However, I want this government to be aware that the water is very shallow. In western Canada we hear it said that Canadians are being paid $2.2 billion not to work. This government would be well advised to accept the idea that it is better for a man to work at any job than to not work at all. The pendulum has swung far enough to the left. I do not accept the idea that Canadians have a right to the natural resources of this country, if they are not prepared to put any work into them.

● (1620)

I believe in the basic Biblical principle and the basic practical principle that unless a man is prepared by the sweat of his brow or the labour of his mind to put some effort forward, he has not earned the right to any of the rewards which this country can offer. I am not referring to those who through no fault of their own cannot earn their own way. I will not mention Bill 22 and the Official Languages Act. I shall save that story for another time.

The Acting Speaker (Mrs. Morin): Order. I regret to inform the hon. member that his time has expired.

The Address—Mr. Gillespie

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Madam Speaker, I should like to congratulate you, Mr. Speaker and his deputies, upon your election to the service of this House. I speak for many when I say we know you will be effective members and, indeed, elegant servants of the House. I should also like to congratulate the two new members who moved and seconded the address in reply to the Speech from the Throne. I think they left a deep impression and served notice of their promise as parliamentarians. I should like, also, to congratulate the hon. member for Selkirk (Mr. Whiteway) who has just concluded his maiden speech. It was an entertaining, witty and memorable speech. I should like to commend him, too, on his highly developed nautical sense of metaphor.

In the time at my disposal this afternoon it is my intention to deal with two subjects. I wish to deal briefly with the current trade situation and our prospects for the future, and then with the question of foreign investment, as fully as I can in the time available to me. The trade situation in the first eight months of this year clearly demonstrates that Canada has enjoyed a very good trade year to date and the near-term prospects are, I think, equally good. Exports are up 26 per cent. The estimate for the year is pretty close to $31 billion; that is what our sales abroad will amount to. This compares with close to $25 billion in the past year.

The increase has been noticeable in some important markets where we have been aiming to expand. Our exports to the EEC are up 42 per cent, and to the Commonwealth, not including the United Kingdom, by 34 per cent. Exports to Latin America are up by 58 per cent, to the United States and the United Kingdom by 22 per cent, and to Japan by 39 per cent. I regret the fact that our exports to the United States and the United Kingdom have not increased by as much as our total average. But there are some soft spots. Two products in particular are feeling the pinch very severely. First, the automobile industry, in the sense that it has not been able to export what it might have been able to export had the United States market been stronger. The United States automobile market this past year declined by 25 per cent, whereas the Canadian market improved.

Another industry adversely affected is the lumber industry, and part of the story is the housing record in the United States. Hon. members are concerned, as I am concerned, about the effect on the lumber industry of a very significant slowdown in the United States housing market. One-third of the lumber produced in Canada is consumed by Canadians in meeting the demands of housing and other business and commercial needs. Two-thirds of the production is exported, and by far the larger part of these exports go to the United States—very close to 80 per cent. Indeed, the United States market is about double the size of the Canadian market and the current situation as far as lumber is concerned is a reminder to Canadians that when we rely so heavily on a particular market and that market is disturbed, for example, by the high price of oil, by high interest rates and their effect on mortgages, as well as by high lumber prices themselves, consumer resistance is inevitable sooner or later.

The strength of our export effort will always depend on the strength of the economies of our major customers. The other side is that the strength of our imports will always depend, very largely if not entirely, on the strength of the Canadian economy. That is really the story of Canadian exports and imports. Our exports are up by something like 26 per cent but our imports are up by some 34 per cent, reflecting the relatively better performance of the Canadian economy at the present time. Thus, our commodity trade surplus has narrowed to $460 million this year compared with over $1 billion for the same period last year. However, I expect there will be some further additions to our commodity trade surplus. To date, seasonally adjusted data suggests a surplus for the year in the neighbourhood of $1 billion. Well, where do we go from here? What are our prospects for the future? I wish to emphasize that a major trading country such as Canada cannot hope to pass unscathed through the current difficult international economic situation. Economic growth in our principal markets will be subdued during the coming year. At the same time, I believe that in terms of value, Canada's exports will continue to rise.

I wish to turn, now, to the foreign investment question to which I referred in my opening remarks. I introduce this subject by saying that mention of foreign investment or foreign control or foreign ownership evokes strong feelings in certain quarters. Too often in the past, debate on the subject has been confused and emotional. For example, distinctions are often not made between foreign control and foreign ownership. Nor are distinctions made between foreign direct investment and foreign portfolio investment, though in terms of their economic impact they are almost as different as day from night. All too often, even within the category of foreign direct investment no distinction is made between equity and debt investment. This confusion has bedevilled any intelligent discussion of this important area in the past and it recurs from time to time, though, I believe, less frequently. It is my impression that in Canada today there is a very much more rational climate for examining these important issues.

I believe the work done by the hon. member for Windsor West (Mr. Gray), who spoke so eloquently earlier this afternoon, and the work of the former member for St. Paul's, Mr. Ian Wahn, former chairman of the Standing Committee on External Affairs and National Defence, has played an important part in establishing this more rational climate and contributing to public understanding. I also believe that the first bill, the bill of my predecessor, Hon. Jean-Luc Pepin, which provided for the screening of takeovers contributed to that understanding. I believe parliament's consideration of Bill C-132, which I introduced, also contributed remarkably to that understanding. This was the bill that extended the screening process to include the establishment of new businesses by non-eligible persons outside of Canada, and the establishment of new businesses by non-eligible persons already in Canada, into unrelated areas. It became law, as hon. members will remember, with the proclamation of the first part last April. Since then, the foreign investment review agency has received certifiable applications for approximately 70 screenable transactions.

[Mr. Gillespie.]

● (1630)

There is not time this afternoon to go into a lengthy analysis of the significant benefits to Canada that were negotiated with the applicants, but I want to emphasize three particular points. I think it is fair to say that the takeovers which have been allowed will mean healthier Canadian enterprises. They will mean more competitive enterprises. They will means more jobs for Canadians now and in the future. The second point I wish to make is that it is apparent that some foreign takeovers have not gone forward which would have taken place in the absence of the act. It is not possible to quantify such a statement, but information that comes to my attention from time to time indicates that some foreign investors who had been thinking of takeovers which clearly would not have satisfied the significant benefit test sensibly chose not to go to the trouble of making an application.

My third point is that it has not been possible to complete many reviews of proposed acquisitions within 60 days. If the minister is not satisfied with the initial undertakings given by an applicant, he must—this is an obligation imposed upon him by the act—before disallowing such an application give the applicant a second chance to clarify or to increase the undertakings in order to meet the test of significant benefit to Canada. As the Canadian corporate sector and their advisors—their lawyers and accountants—gain more experience with the operation of the agency, I expect that the length of time required to process an application will diminish. I suspect that initially these groups, or some of them, may have wanted to feel out the agency. Perhaps some of them were also a litte naive, not believing that we would indeed insist upon the test of significant benefit to Canada.

In this connection, I must emphasize that the results being obtained would not have been possible if the arguments of some hon. members opposite, and some Senators, had prevailed, namely that we adopt a no detriment test instead of the test that was adopted, that of significant benefit. When asked during the hearings by the standing committee when I would expect the proclamation of the second stage of the act, that is, the stage which would screen the establishment of a new business by a non-eligible person not then in the country as well as the establishment of a new business by a non-eligible person in the country into unrelated areas of activity, I said that two things had to happen first. First, the agency needed to gain experience in screening takeovers. Second, I wanted to consult with the provinces on the mechanism of consultation itself.

From a standing start early this year, the agency has made, I believe, very considerable progress in administering the first part of the act. In this regard, I am able to report to the House that co-operation between provincial governments and the agency in relation to current takeover cases has thus far been encouraging. The consultations with the provinces are well along and will be completed in the relatively near future. I would expect, therefore, that phase two should be proclaimed before the end of the year.

I should now like to draw attention to a new and important aspect of foreign investment policy. Members will be aware of the election promise made by the Prime

Minister (Mr. Trudeau) in the Sault. The Prime Minister said that the Liberal Party of Canada sets as its objective that new, major projects in the natural resources field should have at least 50 per cent, and preferably 60 per cent, Canadian equity ownership. As there are overlapping responsibilities for the development of Canada's natural resources shared by both the federal government and the provinces, he said we would hope to pursue this objective jointly with the provinces.

Such an objective, it seems to me, should have the support of the vast majority of Canadians. Public attitudes all across Canada have been moving toward more government initiatives in this area. By way of example, earlier this year a national Gallup poll asked this question. I want to emphasize that the question was asked after royal assent had been given to Bill C-132. The question was: "Would you favour, or oppose, legislation that would significantly restrict and control further foreign investment in Canada?" It is significant that a large majority of Canadians answered in the affirmative. And I believe it is just as significant that this support was strong in regions all across Canada. This was a view that was by no means shared, as is sometimes alleged, by a few people in Toronto; it is a view and a sense that is felt by Canadians from coast to coast. Such a policy, Madam Speaker, with respect to the resources industry—equity ownership and Canadian participation—it seems to me should be underlined in these terms.

The objective places particular emphasis on the natural resources of Canada which have been of such central importance to the Canadian economy. It is not too much to say that the strength and vitality of our economy in the past has been based on the successful exploitation of our resources. It seems to me just as important to make the point that the exploitation of these natural resources continues to be the underpinning of our economy today and will be, albeit in greater upgraded form such as the further processing of resources in Canada, in the future. More than that, those who direct and control the large resource companies also have a very significant influence on secondary manufacturing in Canada, such as the location of plants in Canada or outside or the kind of upgrading that takes place in Canada. The process of vertical integration from the raw material through to the semi-fabricated product, and in some cases the fully manufactured product, extends the influence of those who control our resource companies right through the manufacturing sector.

Such a policy objective recognizes that the natural resources of Canada are part of the patrimony, the birthright, of Canadians. It recognizes that many of the natural resources of Canada are non-renewable and are being depleted. It recognizes that ownership and control of many of the companies engaged in the development of these resources is held outside Canada. But the policy objective is not retroactive; instead it looks to the future. It recognizes that by insisting upon 50 per cent, and preferably 60 per cent, equity ownership in major new projects over a period of time we can achieve a repatriation of majority ownership and control of the resource companies in Canada. Quite clearly, if each new, major project in a non-renewable resource development requires 50 per cent, and preferably 60 per cent, equity ownership by Canadians, and the existing properties continue to deplete, sooner or later there will be significantly greater Canadian participation.

● (1640)

Such a shift in ownership could also bring with it shifts in control to Canadians. And with shifts in control, the direction of a firm would be more and more sensitive to Canadian opportunities in Canada and opportunities for Canadian companies abroad. Let us not delude ourselves, because if Canada is to play its full role in international development, Canadian-based multinational companies should be major contributors. Too often now, Canadians are not enjoying the same opportunities in developing markets because the Canadian companies which have expertise in a particular area are subsidiaries of multinational firms. Too often the head office of the multinational firm decides who goes where, and the chances are that it will not be the Canadian subsidiary that gets the assignment.

I have heard it argued that there could be difficulties with such a policy because there will not be enough Canadian money to finance such a policy. At the moment there is a real problem in financing long-term projects wherever they may be. The capital markets of the world have been severely disrupted by inflationary forces and balance of payments considerations. Both equity and long-term debt financing have been affected. But those who assume that there will not be enough Canadian money around are not usually referring to the present condition of the capital markets. Indeed, they are not distinguishing between debt and equity investment.

It is true that originally many of our resource projects were financed by both debt and equity from abroad. But in the past decade a major source of funds for the development of Canadian natural resources has been developed internally, within Canada—within the company or corporation—in the form of debt financing raised on the Canadian capital markets. Relatively small amounts of equity capital have continued to come from outside. To illustrate this, a report prepared by my department on foreign-owned subsidiaries in Canada between 1965 and 1972 shows that of total funds available to companies of about $7 billion, more than $6 billion—or 90 per cent—came from funds either generated within the company in Canada or borrowed on the Canadian capital markets, and debt capital raised in Canada amounted to more than $500 million. This compares with equity capital from abroad of about $700 million and a decline of about $100 million in debt owing abroad. For those who are still worried about the sums of money involved, I can reassure them by saying that the typical new project in a natural resource industry involves about four times as much debt as equity. That is a ratio of close to four to one in the new project.

Clearly, it seems to me, we should concentrate much more in the future on raising equity in Canada rather than abroad, and to the extent necessary we should be raising the larger amounts of debt capital, that is, the part that is four times as great—the four to one ratio to which I referred—from abroad. In considering this policy objective, I think it is clear that a lot of consultation needs to be undertaken with the provinces and with those in the industry itself if we are to realize this as a national objective. This is not a project which can be put into place

overnight. We need to define a number of important criteria. What industries? For starters I would suggest the fishing industry, the forest industry, the petroleum industry, that is oil and gas, the mining industry, and pipelines.

As I have already noted, we hope to have the co-operation of the provinces in working out the mechanics of attaining such an objective. In that connection I can report that I have already started the process; I have already raised the question in a preliminary way with some provincial premiers and provincial ministers of industry. I hope to continue these discussions across Canada both at the ministerial and official levels. I believe this policy initiative will in the long term be one of the most important measures taken in a series of measures aimed at providing for Canadians greater control over their domestic economy, of providing greater participation for Canadians in working out the priorities and objectives of their economic development, and greater participation for Canadians in the benefits of that economic development.

Mr. Arnold Malone (Battle River): Mr. Speaker, I feel very privileged in having the opportunity to rise in this chamber and make my maiden address. It will not be, perhaps, as flowery as the one earlier today and might even be considered morre like a cauliflower, but I look forward to my experiences in this distinguished place among the kind of people who have contributed so much to the traditions of this House. I look forward to serving the constituents of the Battle River area, situated in the province of Alberta. This area was served by the late Harry Kuntz, who passed away last November. There is one thing I can say as a tribute to Mr. Kuntz: if there was anything that stood out in his character, it was that he was a humble man. During my very short experience as a member of this House, I have realized that this is at least one tribute that I hope to retain in serving the people of Battle River.

There are a number of things one might speak about in a maiden speech. I should like to spend some of my time referring to specific problems in my constituency, but I should like to take up most of my allotted time speaking about a subject I consider of tremendous importance not only to the people of my area but to mankind as a whole. I refer to the lack of status as far as agriculture is concerned. I will deal first with a specific problem, whichh is not a small problem to those who are faced with it. In the east end of my constituency, television reception is very inferior to that received elsewhere in the mainstream of Canadian life. If television were only a source of entertainment, or an entertaining media, one might be inclined to ask, "So what?" The fact is that television provides far more than just entertainment. It is a means by which children develop language and a way in which people learn to conceptualize ideas and learn about the country in which they live.

While the area of which I speak does not have the density of population of many other areas—and I concede that there are no major centres there from which stations spring—the fact is that there is a void in the development of language and culture among the young. We, as Canadians as a whole, cannot allow such a void to exist anywhere in this country. A few days ago reference was made in the

[Mr. Gillespie.]

House to our senior citizens being a class or group of people who do not receive the status they should receive in Canada. I asked the minister responsible for the sending out of old age pension cheques whether any consideration was being given to removing the term "old age". His response was that never had any cheques returned because they were called old age pension cheques. I am sure no one in this House will return our cheques because they carry the words "Government of Canada".

● (1650)

Madam Speaker, I think it is very important that we reflect upon this class and realize it has earned its status through years of dedication to this country. I believe this country ought to thank them with a language which denotes a higher degree of respect than the words "old age". I cannot think of anything more insulting than the expression "old age", lest it be having to live in the glowing embers wing of Sunset's Glow old folks' home. These citizens command our respect. For a few moments, before getting to the major thesis of my maiden speech, I should like to share some of the feelings I have about LIP grants and some of the disparities which exist in respect of those grants. If we look at the situation, we see that the province of Quebec receives from such grants an amount of $34,601,000, compared to the province of Manitoba, the province of Saskatchewan, the province of Alberta, the province of British Columbia and the Northwest Territories which receive only $13,695,000 collectively.

I am well aware that this is based on unemployment. Obviously, unemployment in Quebec is larger than in these other areas. I have chosen these two areas because they have populations which are almost equal. However, there is a factor which is not being observed. In essence, the prairies export their unemployment. The need for jobs on the prairies is just as great as anywhere in Canada. If we look at the statistics concerning what has happened between 1961 and 1971, we find that in the rural population of Alberta we have lost 57,113 people. In Saskatchewan, in the same decade, we lost 91,000 people. In Manitoba there was a loss of 31,000. While there was an increase in population in rural British Columbia, there was a net loss of farm population in that province.

Anyone who has had the experience of driving through the small, dying towns of the prairies must realize that because there is no unemployment is no reason to believe there is no need for the creation of employment. I say it is an unjustifiable situation to find $34 million being applied to one province while another area of equal population, but much larger in size, receives $13 million.

I should now like to turn to what I call the thesis of my maiden address. Agriculture at the producer level is not treated as an industry. There are many reasons for this. It is not treated as an industry because it is a soil resource. It is not treated as an industry because of the market situation. I should like to deal with some of these points in depth, in order to show what the situation is and its implications. The Niagara peninsula in Canada essentially has been wiped out by other industries. The Okanagan Valley has been exploited in order to encourage development other than agriculture.

I think one myth which exists in this country is that Canada has a large amount of good soil. The fact is that there are only 24 million acres of agricultural land in Canada. Only about 2 million of those acres fall into the category of first-class soil, while about 10 million acres fall in the second class. We might ask ourselves, what seems to be the problem? The problem is that when industry develops, it does so right in the heart of agricultural land. This should not come as a surprise. In the historical context we find that very often cities are built right in the midst of prime soil. Our great cities on the prairies, Winnipeg, Saskatoon, Regina, Lethbridge, Red Deer and Edmonton—which essentially, with the exception of Calgary, include every major city—were built right in the middle of old geological lakebeds, on silted-out soil; some of the finest soil we have. While all of that takes place, about 12,000 people a day die of starvation or malnutrition. In this situation, I think we can simply say this: neither this country nor any other country can afford to give up a single square inch of agricultural land for non-agricultural use without first making the important decision as to whether or not there is an alternative.

Because it might seem that there are other alternatives, we might ask whether cities should be allowed to expand over a space if under that space there are known to be tar sands, copper ore, iron ore or any other kind of resource. The fact is that because the cities do extend across agricultural land, farming is viewed as a life style rather than an industry, because no other industry would allow its resource to be simply taken away, especially when the need for them is so great.

There is another myth, that is, that in Canada there is a great deal of good land. The fact is that if this country doubled its population by the year 1995, we would have tremendous difficulty feeding ourselves at the level of nutrition we now enjoy. The situation is extremely serious. While we see acres and acres of prime land being used as backfill for factories and for places on which to build houses, we find elsewhere a situation such as was described to me by a friend who worked for CUSO. He worked in a leper colony. While there, he sent a sample of soil to be tested. When it was returned he found that it contained no nitrogen, no phosphorous and no potassium.

At the same time, we in Canada have no ethical value for what is the most important of our resources. It is so important, in fact, that in the 50,000 years man has inhabited this earth he has had, in each and every day, food or has been in search of food. It is only in the last 100 or 200 years that resources such as oil and iron ore have been popularly used. In no way would we put in roadbeds, or develop cities in areas where there are only mines, without any thought for protecting the areas in which they exist.

Another thing I can say about the agricultural industry which shows it has not had the protection it should, is that in 1964 the farmer's portion of the food dollar was 42 per cent. In 1967 it was only 40 per cent. In 1971 it was 36 per cent of what we spent on food. In order to bring to the attention of the House and to those who think that the farmer is getting a good return for his grain, I would point out that only 3½ cents of the price of a 25-cent loaf of bread is received by the farmer. That means that on what is normally a 25-cent loaf of bread we would still have to pay 21.5 cents if the farmer gave his wheat away. I think it behooves us to recognize on that point that the prices of agricultural products have not been as high as we assume them to be. Also of importance is to know that the output per man on our farms has increased threefold in the last 20 years. By comparison, other industries have increased by only 1.7 fold. This is a piece of information which again points out the necessity of giving our agricultural producers a higher status than they presently enjoy.

● (1700)

Lately we have heard references to putting consumers on marketing boards such as CEMA. I do not oppose that in principle, but I think we should ask ourselves the following question about the agricultural situation: Why is it that when it comes to the consumption of food we give a different status to agriculture? To be sure, when we look at situations such as exist in the automobile industry and the farm machinery industry, the consumer certainly has no say with regard to what the price of those products ought to be. If we treated farming as we treat other industries, we would pay it the same respect as all other industries. If we believe that the consumer has the right to speak out, we should grant the same right to everyone throughout industry.

I also think we discriminate against agriculture by the establishment of unfair freight rates such as those which exist in a large portion of the farm producing area, namely, the prairie provinces. When you consider that it costs twice as much to ship processed rapeseed-meal from Toronto to Lethbridge as it does to ship the raw rapeseed from Lethbridge to Toronto on the same rolling stock, you realize that obviously something is wrong, to the extent that we should ask ourselves where the whole agricultural processing industry is bound to be, because we have to compete against an unfair freight system. When we consider that it is possible to ship products from Toronto to Vancouver and back to Calgary cheaper than sending them directly to Calgary, we realize that the prairie provinces are in jeopardy because they simply cannot compete. That is partly what is stifling the area. While the rationale for cheaper rates to the west coast is based on competition with the water route, the fact is that competition does not really exist in the landlocked provinces. Trucks simply cannot compete with water transportation.

With regard to the status of agriculture, I should like to say that the need for food is so great that the world has not yet really measured the crisis in which it finds itself. We must realize that an additional 77 million people are born in India every year. That is almost four times the present population of Canada. There is no way in which we can neglect the importance of giving agriculture a very high status and the importance of pouring an increasing amount of money into the development of agricultural research, for undoubtedly in that area we find the most important problems facing us today.

The government must abondon its placid attitude while going amidst the haste and noise, because the fact is this universe is not unfolding as it should. Although 12,000 people a day are dying of starvation, those who are studying the problem say that this number is insignificant in the perspective of what will happen. It is even more

insignificant in light of the fact that we are experiencing throughout the world a tremendous decrease in this year's agricultural production. We cannot wish for a miracle which will allow us to feed the multitudes with five little fishes and three loaves of bread. Do not think that I am trying to paint a picture of doom whereby the world will end at 10 a.m. tomorrow, which would be 10.30 in Newfoundland, but the situation is critical. It is of such importance and needs so much attention that every effort should be made to increase the status of agricultural production and of agricultural research; for the issue is mankind.

Food comes from two sources only, from the soil and from the water. If we were to distribute food evenly amongst the people of the world today, there would be barely enough carbohydrate to go around, and certainly not enough protein. That, coupled with the fact that on the South American and African continents 45 per cent of the population is under the age of 15, an age at which nearly two times the amount of protein intake of adults is required, should make us realize that the world is heading into a crisis unlike it has ever experienced before. It cannot be too late to concentrate our efforts on the improvement of our agriculture, for indeed if we do not the result will be mass starvation and we will go down in history as people who have not paid attention to what we have known the facts to be.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Egmont (Mr. MacDonald)—House of Commons—Suggested reform of procedures—Guidelines on access to information—Request for public discussion; the hon. member for Shefford (Mr. Rondeau)—Consumers—Possible solution to conflict between employees and employer at the Saint-Hilaire refinery; the hon. member for Elgin (Mr. Wise)—Finance—Alleged denial of loans by chartered banks under Small Businesses and Farm Improvement Loans Acts.

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SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Duclos for an Address to His Excellency the Administrator of the Government of Canada in reply to his speech at the opening of the session.

[Mr. Malone.]

[*Translation*]

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I would like to congratulate you, as well as the hon. member for Sudbury (Mr. Jerome), for his appointment as Speaker of the House. I have known the hon. member for Sudbury for over six years. I met him at the language school at CFB Saint-Jean, Quebec, where members were taking French courses. He benefited a lot from the French immersion course given there. He speaks both official languages of this country with ease.

I would also like to congratulate the mover and the seconder of the Address in reply to the Speech from the Throne.

[*English*]

Mr. Speaker, I believe I have something of a unique record in this House. I have contested six federal elections and won every second one. I have a batting average of 500. Nevertheless, as I say to my friends, I do not look forward to the next one one with any great enthusiasm at this point. In the constituency of Ottawa West nearly 85 per cent of the polls were taken from a historic riding known as Carleton. In the 97 years from Confederation until 1963, that riding was represented by the Conservative Party in an unbroken record. I had the honour to be the first Liberal ever to be elected to that seat.

[*Translation*]

● (1710)

Mr. Speaker, the ridings in the Ottawa area, even in Ontario, are not the same. In my riding, for example, only 11.2 per cent of my voters are French-speaking.

[*English*]

Ottawa West is not like many of the other Ottawa area ridings. The socio-economic characteristics of the majority of its residents are much closer to those of the ridings represented by the hon. member for Grenville-Carleton (Mr. Baker), the hon. member for Lanark-Renfrew-Carleton (Mr. Dick), and in some respects the hon. member for Leeds (Mr. Cossitt). I have to admit that the voters have not entirely seen the error of their ways and have not been generally sympathetic to the Liberal Party.

An ex-member of parliament, now a member of the press gallery, devoted his column one day to Ottawa area MPs. He said that they were a strange breed with a strange local disease—that was an excessive and partisan support of the public service, a subject of much less concern to MPs from other parts of the country. Indeed, the majority of members of parliament who take an interest in the public service are not on the whole sympathetic to it. Their view is, I regret to say, to regard it as a large organization somewhat parasitic on the taxpayers. I admit that I am concerned and sympathetic to the public service in which I served for some nine years as an economist. If an Ottawa area MP does not show concern and sympathy, I do not know who will. In Ottawa West I tend to hear a different side of the problem from that known to many other members, even many of those from the Ottawa region.

I have to report that in my opinion a serious problem exists in the public service today. It is reflected in part in the degree to which the staff associations are chosing the strike route rather than the arbitration route in the legislation available to them. Unless the government acts, I

fear we will face a series of increasingly militant staff associations and strikes. Some measures can be taken right away by the government. It is now seven years since the basic legislation establishing collective bargaining was enacted, and changes in the law are overdue. In this connection, I was pleased to read in the Speech from the Throne that the government proposes to enact changes to the Public Service Staff Relations Act.

Some four years ago, the government appointed the Bryden committee to deal with the whole question of changes to be made to existing legislation, but its report was apparently unsatisfactory. In April of this year we received the Finkelman report, some of whose recommendations will no doubt be reflected in the legislation to be placed before parliament. In the near future I hope that a parliamentary committee will have referred to it not only the proposed amendments to the Public Service Staff Relations Act but also the Finkelman report itself, with opportunities for staff associations and individuals to appear and present briefs. I sincerely hope that these hearings will not be prolonged and that a report generally acceptable to all parties in the House of Commons can be adopted. We could then expect legislation to be drafted and passed in the second or third session of this parliament.

The second subject I want to raise today is the development of bilingualism in the public service. This was referred to by the mover in this debate (Mr. Duclos) and by the Prime Minister (Mr. Trudeau) in his statement. With the adoption of the 1973 guidelines, with the designation of positions by specific language requirements and the protection of those employees with long service under the grandfather clause, many of the sharp edges of the policy have been blunted. There still remains a great deal of fear, misunderstanding and concern on the part of many public servants, however, and it would be folly to deny that this situation exists. Many unilingual public servants genuinely believe that their careers have been prejudiced by the policy. I have found that a number refuse to take their cases to the language commissioner because of some unfortunate remarks that he was quoted as making in the press.

A special situation exists in government departments that have been moved or are about to be moved to Hull. A recently reported resolution of Hull city council, objecting to the presence of federal departments which dilute the francophone character of Hull, has been severely criticized by some people in Ottawa, including Mayor Pierre Benoit. If the unanimous resolution of the federal-provincial conference in February, 1969 is to be adopted, to the effect that the national capital include parts of Quebec as well as of Ontario, then I do not understand how federal language policies for public servants can be different in Hull from what they are in Ottawa. The enactment of Bill 22 in Quebec cannot change the matter, since it is a principle of constitutional law, as I understand it, that a province cannot legislate with regard to the federal government any more than a municipality can in respect of a province. In this connection, Mr. Speaker, I was very pleased with the reply of the Prime Minister to the question I put to him today concerning the effect of Bill 22 on the public service in Hull.

Perhaps I could cite a few case histories of complaints brought to me. It is always dangerous to cite case histories because one is perhaps hearing one side and no doubt cases can be offered on the other side. One family in the west end of my riding has lived, on both the mother's and the father's side, in the Ottawa Valley for four generations. She is of French-speaking origin, he is English, and no better examples of religious and cultural tolerance could be cited anywhere. After over 30 years in the public service, he is now employed as a supervisor of maintenance in the government printing bureau in Hull. Men and women with whom he has worked for years will no longer speak English to him. Some of them say that Bill 22 in Quebec makes it illegal for them to speak English at work. At the age of 59, this man is taking early retirement. Fortunately, he will not be penalized unduly in his pension, but he did not plan to retire at this point.

In the same family, a teenage daughter has been employed as a casual clerk, first for a period of six months, then a second period of six months. She is called in and complimented on her work and told she will be made permanent. Shortly afterwards she is laid off and replaced by a bilingual clerk. I know that the process of replacement of anglophone public servants in ensuring a more substantial presence of francophones in the public service is endorsed by all parties in this House. I accept that, but I have to report that a constituency such as mine has to bear the brunt of the changes. I also respect the fact that the changes will probably be accelerated. I am simply calling attention to certain situations because these people are in the constituency I represent.

Another employee of the printing bureau was engaged in the reproduction of background papers on Danish achievements in Greenland, to be offered to the public on the occasion of a special display in the national gallery at Ottawa. The original display had been presented in New York. At the last minute, someone realized that no French translation of the background papers was available although they had been reproduced in English. The display was held mainly with visual materials, and none of the special background papers which were available only in English were distributed.

To the credit of the person who spoke to me, when I asked what would have happened if the display had originated in French and distributed without any form of French background material, he replied that of course these should have been distributed. We have to be mature enough to realize that someone loses in displays like this if the material is not made available. I know this is a small matter, but I should like to call the attention of the House to a situation where the work is done, papers are printed, material is produced and then it is not used. It appears to the people who work in such situations that the procedure is wasteful.

A woman supervisor is offered a French language course, after which it is indicated that she might receive a promotion. She is only three years away from retirement age, however, and fears that she might not do well. Furthermore, she believes it is a waste of public funds to give her priority to attend a language school ahead of a younger woman who might do better. She declines the language

training and the possible promotion which would have made a substantial difference to her pension.

● (1720)

I could go on. I cite these case examples of the kind of things I hear about, the kind of things we will have to do our best to work out in terms of fair rules. As I said, there are no doubt injustices on the francophone side. I do not know how we can rewrite history. In many ways, I wish we could. I wish there were ways of compensating for the injustices that have occurred in the past. The fact is, we cannot do it in that kind of order.

I believe we have an obligation to make rules work. That is what I will attempt to do as a member of this House. It should be possible for a unilingual person to enter the public service and plan a career with confidence in the knowledge of which positions will be open to him or her. I find too many young people under the mistaken impression that all positions and all careers will require knowledge of two languages. Hopefully, the completion of the process of designation of positions by language requirements will clarify the choices available. At the same time, competence in the two official languages will always be desirable, and essential for some positions.

As far as language training is concerned, it may be that our language schools will have to become more efficient. I must say, I have the highest regard for those who gave me instruction in St. Jean, Quebec. I do not think we could have had better instruction. I have the highest confidence in the way the staff went about their job. In making these schools more efficient, this may best be achieved by selecting younger candidates and those with higher aptitudes for language training. Those now in language schools who are not making progress may find that training will not continue to be available to them.

Over the longer view, I believe the government of Canada will have to consider how the public service is handled in cabinet. The recent British experience may or may not be helpful in this regard. Great Britain created a ministry of the public service, under the direction of a junior minister who reports to the prime minister in cabinet. The independent public service commission which had previously selected and placed new applicants was abolished and its functions combined with the new ministry.

One of the unforeseen consequences of collective bargaining in the Canadian public service has been the expansion of the power and responsibilities of Treasury Board. Treasury Board is the employer voice. It bargains for the employer in negotiations with the staff associations. In this regard, I congratulate the new President of the Treasury Board (Mr. Chrétien) for the spirit in which he has undertaken his duties. I know he is examining the structure in an effort to see what he can possibly do to make the system work.

I believe there is no need to create a new department of government in Canada, but I have not closed my mind on the subject. Certainly, those functions of the government related to the public service which are not now exercised by Treasury Board will have to be more closely co-ordinated. I offer the following examples. First, take the question of who will deal with the Finkelman report. The Bryden committee was named by the Minister of Justice (Mr. Lang) when he was solicitor general. Disposition of the report became the responsibility of the House leader, the Secretary of State for External Affairs (Mr. MacEachen). Presumably the new House leader will be responsible for the Finkelman report.

Second, the public service commission normally reports to parliament through the Secretary of State. A former member of the commission claimed that the Secretary of State's department was merely the mailbox through which the commission's report was transmitted to parliament. The public service commission claims that it reports directly to parliament. That was the testimony given before the miscellaneous estimates committee two years ago. I was told by a senior minister of the Crown that if I, as a member of parliament, wanted to say anything to or about the commission, I should appear at the hearings of the miscellaneous estimates committee. Once per year the commission presents its estimates to that committee, sometimes for as brief a period as half an hour, and not always every year.

I ask those present in this chamber if anyone believes that this procedure can give effective direction or guidance to the commission. A member of parliament has to be alert indeed to catch the appearance before the miscellaneous estimate committee. Meanwhile, members of the public service commission, at least prior to 1973, felt free at any time to make speeches and announce policies that had a substantial political impact. The chairman actually argued in a letter to me that while he was free to speak, I as a member of parliament could only reply to him when he appeared, usually once per year, before the miscellaneous estimates committee. I do not accept those ground rules.

Third, a similar situation exists with regard to the Commissioner of Official Languages who reports to parliament. Surely a position as important as this should receive more specific guidance and direction from the executive branch of government. I believe the commissioner also once per year presents his estimates to the miscellaneous estimates committee, presumably to receive his direction from parliament on the conduct of his office. I am a member of that committee. I made a request in writing to its chairman that the Commissioner of Official Languages be one of the witnesses called. I am not on the striking committee. If the striking committee approves this, he will be called. However, there is no assurance he will be called even once per year. How can this possibly be a satisfactory arrangement? The commissioner, who is a missionary in his work, attempts also to be a language ombudsman. In my opinion, he has impaired his role as a language ombudsman. He would profit from more direct supervision by a cabinet minister.

Fourth, we hear a good deal these days about underrepresentation of women in the public service. The Minister of Labour (Mr. Munro) supervises the women's bureau and is also responsible for implementation of the recommendations of the Royal Commission on the Status of Women.

Mr. Knowles (Winnipeg North Centre): That has been changed: it is the Minister of National Health and Welfare.

Mr. Francis: I stand corrected. That illustrates my problem more clearly in terms of who I have to deal with to work out this matter. The public service commission has special advisers on the recruitment of women, and Treasury Board also has a special assignment regarding women's problems. Fifth, the whole question of the extension of collective bargaining to sectors of the public service where it does now exist, also has to be examined. Presumably, Treasury Board must take the initiative before anything will happen. To take one example, I am sure many Canadians were as concerned as I to learn of the steps to create an association in the RCMP. In this case the Solicitor General (Mr. Allmand) is the responsible minister. I believe he is a very competent, sincere and conscientious minister and I do not wish this to be a reflection on him. I do not feel confident, however, that the matter has been resolved to date.

The list could go on and on. The British created a separate ministry to co-ordinate these functions and bring them together under one roof. In the British case, those members of Treasury Board were dealing with staff associations in an employer capacity appear to be the nucleus of the new ministry. I have some doubt about the wisdom of such a step for Canada. I have suggested that a minister of the Crown, who could be presumed to be sympathetic to organized employees, co-ordinate all those functions not presently exercised by Treasury Board. The Minister of Labour comes to mind. This is the day of sympathetic ministers. The Minister of Agriculture (Mr. Whelan) is sympathetic to the farmers, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) and Mrs. Plumptre to the consumers, the Minister of State responsible for the fisheries (Mr. LeBlanc), to the fishermen, and so on. Why not one minister sympathetic to public servants who could counterbalance the strong employer voice of Treasury Board in cabinet?

● (1730)

The last subject with which I should like to deal today is the subject of parliamentary reform, to which reference was made by the Prime Minister. I see that the hon. member for Winnipeg North Centre has a motion down to abolish the Senate.

Mr. Knowles (Winnipeg North Centre): That is the best kind of reform!

Mr. Francis: It may be that in its wisdom this House will endorse such a measure. I know there were some very useful suggestions made by the Prime Minister, many of which I shall be pleased to support. But there is one aspect of them which causes me concern. It relates to Senate appointments. The Prime Minister is reported on page 44 of *Hansard* for October 2 as saying:

> First, we should limit the duration of Senatorial appointments to a certain number of years, seven, for instance, with the option of reappointing Senators when they have well served their country.

Mr. Knowles (Winnipeg North Centre): When they have been good.

Mr. Francis: Mr. Speaker, who is to determine when Senators have well served their country? What objective tests are there for determining this? Would members of the Senate decide among themselves? I do not know how they would do it. If the suggestion implies that the executive branch of government should make the decision, I ask hon. members to think it through very carefully because it would apply not only to government supporters in the Senate but also to members of the opposition in the Senate, a small and dwindling group.

I am not talking in terms of any individual prime minister. I pose the question generally: what would be the chance of reappointment of a Senator who had taken sharp issue with the government of the day on a fundamental matter of policy? I know it is usual in many quarters to picture Senators as wealthy business directors, former party bagmen, and so on. But there are many distinguished members of the other place who do not have private resources available to them, and they are full-time Senators. As they neared the end of a seven-year term, how many could resist looking over their shoulders to make sure that the cabinet, especially the prime minister, was not offended by anything they said or did? What would be the effect on their independence, the very quality which is supposed to be the essence of the Senate?

I believe the greatest weakness in the Senate is the lack of a strong parliamentary opposition. Any proposal which would make reappointment subject to the discretion of the executive branch should be thought through very carefully indeed.

The hon. member for Grenville-Carleton (Mr. Baker) raised a whole series of points concerning the functioning of the National Capital Commission and its relationship to the federal government structure in this area. I understand that a special committee will be dealing with this matter and, as one member of this House, I certainly intend to take a conscientious interest in the work of that committee. The report of the former chairman of the Commission, Mr. Douglas Fullerton, will, no doubt, be the basis of the examination which is to be carried out.

I wish to pay tribute to Mr. Fullerton for his imaginative and innovative use of public funds and public lands. However, I wish to take issue with him on one score and express quiet but firm disagreement with him. He may have been right in a number of things, but I do not think he was right when he proposed that part of the Experimental Farm should be used for housing. Despite the fact that there is a serious housing shortage in this area I do not think my constituents would choose to sacrifice an open space which is such a precious thing for the community.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gaston Isabelle (Hull): Mr. Speaker, I listened with great interest to the speech just made by the hon. member for Ottawa West (Mr. Francis) and, because he complained publicly that his defeat in 1972 was due to the language policy of the federal government, I would simply like to ask him if he can say whether his voters finally understood the language policy of the federal government having reelected him in 1974, or whether he gave the necessary explanations! In any case, Mr. Speaker, I congratulate him on his reelection.

[*English*]

Mr. Francis: I listened to the hon. member in French and had a little difficulty with the question. I propose to answer the hon. member for Hull (Mr. Isabelle) at the appropriate time and in an appropriate place. When I was a member of a previous parliament he attacked me on a number of occasions in the press. I did not choose to reply then. I am simply speaking for my constituents. I am sure there will be an appropriate time at which to reply to the hon. member.

Mr. Isabelle: On this question of privilege—

Mr. Deputy Speaker: That is not a question of privilege.

Mr. Isabelle: The fight is not over.

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-12, to provide for the resumption of grain handling operations on the west coast of Canada, without any amendment.

* * *

THE ROYAL ASSENT

Mr. Deputy Speaker: I have the honour to inform the House that I have received the following communication:

Ottawa, October 10, 1974

Sir,

I have the honour to inform you that His Excellency the Right Honourable Bora Laskin, P.C., Administrator of the Government of Canada, will proceed to the Senate Chamber today, the 10th day of October, at 5.45 p.m., for the purpose of giving Royal Assent to a Bill.

I have the honour to be,
sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to the Governor General

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Louis Duclos for an address to His Excellency the Administrator of the Government of Canada in reply to his speech at the opening of the session.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise at this time to take part in the debate on the Speech from the Throne for the purpose of making my first remarks to this House as Member of Parliament for Saskatoon-Biggar. I should like to express, with great sincerity my appreciation to my wife and my family for the wonderful assistance they rendered in my election bid to win a seat in the House of Commons. On rising on this occasion I am reminded of the fact that my father had the great honour of serving in the other place.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I listened with great interest to the remarks of the hon. member for Ottawa West (Mr. Francis) and, in particular, to his remarks about Senate reform. Speaking from some experience I think the matter raised by the reference in the Speech from the Throne will get a lot of attention in due course.

At the outset I would like to extend to you, Mr. Speaker, congratulations on your election to your very onerous responsibility, that of presiding over the affairs of the House of Commons. Your initial days in this position have demonstrated your desire to exercise this responsibility with fairness.

It seems to me the position of Speaker may in fact be more difficult when one presides over a House in which there is a majority government in the sense that, after all is said and done, the rights of the minority opposition must be guarded and preserved in order that a valid and constructive scrutiny of government legislation, expenditures and actions can be undertaken in the interests of the people of Canada and of democracy. In this pursuit I know you will be constant and dispense even handed justice.

● (1740)

I extend my congratulations as well to the Deputy Speaker, the Deputy Chairman of the committee of the whole, and also to the Assistant Deputy Chairman of the committee of the whole.

I would like at this point to pay a special tribute as well to the right hon. member for Prince Albert (Mr. Diefenbaker) who has, as far as I personally am concerned, been a very great influence in my political life, a gentleman who has exercised great influence over the affairs of this country to the benefit of all Canada.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: We in western Canada are particularly proud of the right hon. member, who continues to serve a record number of terms, and to serve them with diligence and excellence. It is my privilege to serve with him in the House of Commons as he continues his magnificence in debate, just as in the past.

I would be remiss at this point, Mr. Speaker, if I did not also recognize my friend, the Clerk of the House of Commons, Alistair Fraser, Esq., with whom I was previously associated in the other place. I am a newcomer to the House of Commons, as you will appreciate, Mr. Speaker, and, contrary to the normal sequence of events, I had my previous experience in parliament in the Senate. I came from there to the House of Commons and am now a member here, but I spent three years as an executive assistant to the government leader in the Senate, at which time I had the privilege of meeting the Clerk for the first time. I am glad to say that our friendship has subsisted since those days, and he has been most helpful to me as I have assumed my duties as a member of parliament.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I seem to have the honour of speaking today at a time when I propose to give some food for thought, although food for the stomach is on everyone's minds, and at a time when I think we are also waiting for a visitor. I will therefore commence my remarks and continue after the dinner hour. I should also like to follow the tradition of congratulating the mover of the Speech from the Throne, the hon. member for Montmorency (Mr. Duclos), and the seconder, the hon. member for Vancouver East (Mr. Lee). I follow this tradition of congratulations, but I must be quick to add that these congratulations are in fact sincere, since their speeches were most worthy endeavours in support of the Speech from the Throne, though I must take fundamental issue with what was not said as opposed to what was said in the speech itself.

I have the very great honour to represent the constituency of Saskatoon-Biggar in this thirtieth parliament. It is a constituency encompassing half of the city of Saskatoon and a substantial area west of the South Saskatchewan River which bisects the city of Saskatoon. This constituency is one that encompasses within its boundaries urban and rural areas. The urban area includes the downtown core of the city of Saskatoon, the warehouse and manufacturing areas of the city, and a substantial, growing residential area. In the rural areas there is an important agricultural industry in grain and livestock production, and a potash mining industry.

The population of my constituency is, in a sense, a microcosm of Canada as a whole inasmuch as it includes the city dweller, the farmer, the small town resident, the various ethnic groups represented in our country, and the various vocations, professions and other interest groups of Canada. It is with this background that I approach my duties as member of parliament for the constituency of Saskatoon-Biggar and as I consider the contents of the Speech from the Throne.

The election campaign which took place prior to this session of parliament was not only an opportunity for me to discuss with the electorate my concepts of the issues facing our country today, but, equally important, it was an opportunity for me to receive the benefit of the viewpoints of many of my constituents during my extensive travels throughout the riding.

Both before the election, and since, there has been no question in my mind that the issue preoccupying the average citizen is that of the ever-rising cost of living and spiralling inflation. In hearing and reviewing the Speech from the Throne I was therefore naturally chagrined that the matter most concerning the citizens of our country was given only perfunctory attention. One does not have to be reminded by Statistics Canada of the scope and extent of the rise in the cost of living, as most people in our country face this increase on a day to day basis in the purchase of groceries, clothing, household supplies, agricultural equipment and materials, building supplies, and in the cost of business expenses and other necessities.

Following the election, and in view of the fact that a majority government had been elected to office, it was my hope that the government would take measures to deal with this most pressing problem. The Speech from the Throne can only be described in this context as a document which is measured in volume rather than in context.

I waited in vain for some indication from the Prime Minister (Mr. Trudeau) that his government was in fact prepared to deal with the spiralling inflation which threatens the very fabric of our society in Canada today. Unfortunately, in my view, the Prime Minister avoided any discussion of this area and dealt rather with matters which are of secondary importance in our time of national crisis.

I would urge upon the Prime Minister and the government that they come forward immediately with constructive programs of a priority nature to deal with what I consider to be a crisis. I suggest to the government that there is a general feeling of foreboding among the people of Canada in respect of our economic future; that the average citizen is looking toward this newly elected government to take steps within its constitutional ability to deal realistically with the inflationary threat, and further to take the initiative on the international front and obtain co-operation to overcome the western world's problems of stagflation and international monetary instability.

I was encouraged to learn that the Minister of Finance (Mr. Turner) is engaged in international discussion of the inflation question. I think it is incumbent upon the government of this country to take the initiative, in the interest of its own population, in encouraging international co-operation for the purpose of combatting the plague of inflation. It is of the greatest importance that the national economy provide a correct mix of economic policies that will curb inefficient government spending while protecting the real incomes of those hardest hit by inflation.

During the remarks of the Prime Minister I detected a slip of the tongue when he referred to the creation of a new department involved in interdepartmental relations, which he later corrected to intergovernmental or interprovincial relations.

I hear a knock at the door, Mr. Speaker. I presume I will be able to resume my remarks later.

Mr. Speaker: It will be understood that the hon. member will resume his remarks after the adjournment.

THE ROYAL ASSENT

A message was delivered by Major A. G. Vandelac, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

And being returned:

● (1750)

[*Translation*]

Mr. Speaker informed the House that His Excellency the Administrator of the Government of Canada had been pleased to give in Her Majesty's name the Royal Assent to the following bill:

Bill C-12, an Act to provide for the resumption of grain handling operations on the west coast of Canada.

[*English*]

Mr. Speaker: It being six o'clock, I do now leave the chair until 8 p.m. this day.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Louis Duclos for an address to His Excellency the Administrator of the government of Canada in reply to his speech at the opening of the session.

Mr. Hnatyshyn: Madam Speaker, in my first address to this House I was interrupted by the Gentleman Usher of the Black Rod. We have since supped, and now welcome your presence. I am sure it means something not only to the chamber but to myself to have you preside during my speech.

When I was interrupted by the Gentleman Usher of the Black Rod I was referring to a speech delivered by the Prime Minister (Mr. Trudeau) in the debate on the Address in Reply when his turn came on leaders' day. I referred to the fact that I detected a slip of the tongue when the Prime Minister, referring to things the government proposed to do during the course of this parliament, mentioned the establishment of an interdepartmental agency under the direction of his office. Later, however, in correcting himself he immediately said that he was referring to an interprovincial agency within his own office. I suggest this may have been a Freudian slip on his part.

It is hoped the government will as a high priority in fact set up an office to deal with and review all government departmental spending in order to place some sort of significant restraint on government expenditures generally. On the basis of my own observation, after an absence of some years from Ottawa and parliament, I could not avoid being amazed at some of the considerable changes which have taken place with regard to the proliferation of government in the sense that there is a very high increase, for example, in the number of public servants.

The complexity is most baffling to a novice member of parliament. It is baffling to me even though I had an opportunity to observe parliament for some three years. On my return I found that there were so many new departments, agencies of departments, and Crown corporations that it was rather difficult to sort out the particular facets of government. Members of Parliament now have increased assistance but this, in my estimation, is absolutely necessary simply in order to aid them when looking into the complexities of government as it now

stands, a government which, of course, is the largest business in our country.

I suggest to the government it is absolutely essential that it bring forward some plans to make an exhaustive assessment of government spending and, at the same time, bring forward some sort of legislation to ameliorate the social consequences of inflation. The position has now become more than an economic or fiscal problem. Inflation has risen and continues to increase, and must be dealt with as a political problem on political terms, that is to say, in the form of legislation.

Government action must be taken to deal with the effects of inflation on those people unable to protect themselves against the ravages caused by the increased cost of living. I ask the Prime Minister, what of the plight of the elderly, the disabled and the unemployed? These people on fixed incomes, on pensions, in effect are receiving an economic and social scorching, and it is the responsibility of the government to take immediate steps to put out the fire.

When one considers the incredible increase in government budgets, over the past ten years, and the very considerable increase in tax moneys being received by our federal government, one cannot but be astounded at the failure of the government to place the interests of the disadvantaged at the very top of the list of priorities, especially in view of the inflationary problem. The government has been in receipt of considerably increased income through taxation, including the relatively new source of tax on capital gains. In fact it can be said that the government has, in terms of tax income, benefitted from inflation.

The Prime Minister and the government must set an example for the country. Economic and other observers suggest that there is an inflationary psychology which affects the rate of inflation in a national economy. If the government will undertake immediately a realistic appraisal of government expenditures combined with the equally important assessment of assistance to the disadvantaged in our society, the people of Canada will receive this course of action with approbation and will, in fact, join with the government, voluntarily and co-operatively, to meet our most pressing problem head on.

I would like to deal with other aspects of the Speech from the Throne of interest to my constituents but, if I may be permitted to say, also of interest to people generally in Canada. The constituency of Saskatoon-Biggar is primarily reliant on the agricultural industry. I note the general references made in the Speech from the Throne to incentives to farmers and fishermen, including the stabilization of incomes and markets geared to the increase in food production.

● (2010)

The constituents of Saskatoon-Biggar understand the moral responsibility which we have in Canada to maximize agricultural production and to maintain a strong and vibrant industry. This responsibility will weigh heavily upon us as long as we are surrounded by a starving world. I look forward to the introduction of specific legislation to be brought in by the government in the area of stabilization of farm incomes and markets.

Indeed, Madam Speaker, I remind the minister responsible for the Canadian Wheat Board (Mr. Lang) that he was quoted in the Biggar *Independent* of June 12, 1974, and the Rosthern *Saskatchewan Valley News* of June 13, 1974, as pledging that a western grain stabilization plan bill would be introduced in parliament within seven days after the new parliament opened. I quote from the Saskatchewan *Valley News* of June 13, 1974, as follows:

If the Liberal party is elected to form the next federal government, Wheat Board minister Otto Lang will introduce a Western Grain Stabilization Plan within seven days after the new parliament opens.

Mr. Lang made that pledge at a meeting here June 11. He promised Saskatchewan producers if he and the Liberals are re-elected, he will personally introduce such a bill for first reading within the first week of parliament.

The plan, said Mr. Lang, will protect the incomes of prairie grain farmers from being squeezed between rising production costs and low grain prices, should grain prices drop from their current high levels. The farmer's income will be protected whether the squeeze develops from lower revenues or higher costs. This is the only effective and fair way to protect grain producers against inflation.

Knowing the minister represents the other Saskatoon constituency in this House, and knowing that in Saskatoon and surrounding area a man's word is his bond, I call on him now to bring forward the legislation in question for the scrutiny of the western farmers and members of parliament.

We are all aware of the pressures being experienced today by municipalities in connection with their costs, which are escalating at a phenomenal rate and which are being passed on to the taxpayer. Heretofore, many municipalities were granted exemption from sales tax on materials purchased for their own use in a number of areas, such as materials for storm and sanitary sewers and water pollution control plants, equipment with a unit value in excess of $500 used in fire-fighting and road making,—and the material element in buildings to be used as libraries, hospitals and the like.

The budget of last May indicated that the federal sales tax would be removed from articles and materials purchased by local governments for use in the construction of water distribution systems, and from buses and other public transportation equipment purchased by local governments.

I am aware of representations made by the mayor of the City of Saskatoon to the government that, in the forthcoming budget, the list of items used by the municipalities which would be exempt from sales tax should be extended and that it should include materials used in the construction of all municipal buildings, especially buildings housing or fire fighting and police facilities. I urge the government to endorse this suggestion which, if implemented, would in the final analysis lessen the burden on the municipal taxpayer.

The pressure on municipalities due to economic conditions today has resulted in rising prices and costs preventing the construction of much needed hospitals and related facilities, such as senior citizens' homes. At present the ceiling on allowances set by Central Mortgage and Housing Corporation is $10,000 per bed. Having regard to the escalation in the cost of materials and labour, the allowance ceiling on nursing homes should now be raised to a more realistic level. Municipalities simply are not able to finance the construction of these facilities in view of this limitation on the amount of loans available through the CMHC as the burden falls, with a direct and an immediate thrust, on the municipal taxpayer and he is unable to meet it.

I hope and trust that the government will give immediate attention to increasing the ceiling on loans for such worthwhile projects. In my opinion such an increase would not involve, government expenditures to any significant degree, but would have the effect of softening the burden of expenditures placed on municipalities in the creation of much needed social and medical facilities.

Within and immediately adjacent to the boundaries of my constituency lie the historically important areas of Batoche, Duck Lake, Fort Carlton and Fish Creek. These areas are rich in historic sites, dating back to the Northwest Rebellion of 1885 and beyond that time. An initiative has been taken, Madam Speaker, by residents of this area to develop and maintain the sites for posterity, and they are to be commended for their unceasing endeavours in this connection. There is in the area, at the present time, federal, provincial and local involvement, and representations have been made by the residents of the area for increased federal participation in the development of this complex.

In this regard the assistance of the federal government through its national museums program would be of great assistance and value in preserving artifacts to ensure that they are not lost but are retained for the benefit of the general public. I would urge the government to give favourable consideration to the representations being made by the citizens of these areas, and I hope that the Minister of Indian Affairs and Northern Development (Mr. Buchanan) will take a personal interest in the development of national historic parks relating to this area which has been the scene of developments which have significantly affected our history.

The increasing influx of tourists from all parts of our country, notwithstanding the many deficiencies in facilities and access roads to these sites should, I trust, be a significant inducement to the Minister of Indian Affairs and Northern Development to give his immediate consideration to the representations I have mentioned.

I have another suggestion with respect to our senior citizens, that group of people who, in my estimation at least, have not received the attention and priority that they so richly deserve. It seems to me that there are a number of ways in which governments, aside from the giving of moneys and raising of pensions, can recognize the contribution made by our senior citizens.

Sometimes we can learn an occasional lesson from our neighbour to the south, the U.S.A. I have been impressed with a policy which has been adopted in the United States with respect to senior citizens, and I should like to bring it to the attention of our government, and of the minister responsible for our national parks, with a view to seeing whether something in a similar vein could not be carried out in Canada. I refer to what is termed in the United States "a golden age passport."

Such a passport is issued without charge to any person 62 years of age or over, and entitles the bearer, and any

person accompanying him or her in a single, private, non-commercial vehicle, to enter any designated entrance fee area of the national parks system administered by the responsible department.

● (2020)

The bearer is also entitled to use any designated special recreation facility provided at any federal outdoor recreation area, excluding those provided by a concessionaire, at 50 per cent of the established daily special recreation use fee.

It seems to me that if the government has its priorities in the right order it should be looking at the introduction of some change in the regulations which would be of benefit to this group. It would not involve a very substantial outlay of funds to allow our senior citizens the same right of access as is enjoyed by United States citizens in their country to those parts of our country under federal jurisdiction. I urge this suggestion on the government and hope it will do something about it very soon.

I think I have come close to using all my time or even a little more, Madam Speaker. I appreciate your indulgence, and I look forward to making some contribution in this parliament.

Mr. Paul E. McRae (Fort William): Madam Speaker, it gives me great pleasure to be able to congratulate the Speaker on his election. I am especially pleased to do so because we in Northern Ontario are very proud to have the Speaker come from our area. As we are aware, Northern Ontario is the very centre of this country, and of course while the Speaker does not come from the exact centre, since the exact centre is Thunder Bay, he does come from that satellite of Thunder Bay, the city of Sudbury, which is about 700 miles away. I think he has already demonstrated the kind of flexibility, the keen grasp of difficult situations, and sense of humour that bode very well for his work in the future.

I should also like to congratulate the mover (Mr. Duclos) and seconder (Mr. Lee) of the Address in Reply, as well as the other members who have been elected to the very important positions of Deputy Speaker, Deputy Chairman of Committees, and the Assistant Deputy Chairman of Committees, the latter being yourself, Madam Speaker.

To form a government in these times is a most difficult task. It has often been said that it would be much easier to be sitting in opposition at this time.

An hon. Member: Do you want to trade?

Mr. McRae: I do not say that is what I want to do, but I say it is much easier to be there. I think we have to look upon these times as being totally unique.

A great deal has been said about inflation, but we have always had some inflation. We have had rapid inflation in places like China and parts of Europe, and an endemic sort of inflation in South America which has lasted through generations.

Since World War II there has been about 2 per cent or 3 per cent inflation annually. There has been inflation associated with unemployment, which is a peculiarity, and we ascribe to administered pricing. I do not however think there has been any period in history, except for very short periods, when inflation reached the present level and was sustained at that level. This is inflation which tends to be caused by excessive demand.

I am just using inflation to show how our times are unique, Madam Speaker, but I do not wish to deal with this topic at this time. Since we have not had comparable problems in the past, the traditional attempts to cure them have not worked. I should like to discuss the matter of demand, and study some solution for inflation in terms of doing something about demand, rather than constantly looking at the supply side of the situation.

I agree that we must continue to increase supply, but we must be careful not to create more tense and inflationary situations than we can cure. I should like to examine the demand side in the areas of energy and foods as I think these are extremely important areas and becoming more so all the time.

Before doing that, however, I should like to look at a couple of reasons why demands in energy and food have become almost intolerable. The first reason, I believe, is the relative affluence of the developed countries like Canada and the United States, which has put tremendous pressure on the demand side. This means that supply situations are very difficult to fulfil, and I should like to illustrate that when I speak later about energy.

Certainly the affluent people are consuming a far greater proportion of the world's goods than they did 20 or 30 years ago. I understand that consumption of beef in Canada has increased by about 20 pounds per capita in 12 years. These things create real demand problems.

Another factor is the growing world population. It is increasing by about 2.1 per cent annually; that is 75 million more mouths to feed each year. By the turn of the century the world's population will have doubled. It was something like 3.8 billion in 1970 and will be close to 8 billion by the year 2000 given the present trends, which seem difficult to reverse.

The third factor that contributes to the problem is the fact that more countries are becoming developed, although I do not think this is as large a factor as the two previously mentioned, particularly in the area of food.

I should like to deal with the question of energy now because I think this is one area where we can take action to lessen demand. An article in *Oilweek* magazine of September 16, 1974, at page 10 quotes Mr. A. E. Pallister, Vice Chairman of the Science Council of Canada, as saying that we must do something about levelling out the demand curve for energy, particularly oil.

He points out that supply curves tend to level off and even decrease under given circumstances. He says that even with the western reserves, the islands and the far north and so on, the supply curves tend to fall short of the demand curves, and even decrease. On the other hand, the demand curve rises steadily and tends to increase its slope through these periods, so that when we get to the mid 1980s where the supply and demand curves cross we will not be able to continue meeting demand.

I think this situation in oil and natural gas applies not only in Canada but throughout the rest of the world. In

the case of hydro power we have long passed the stage where supply can be increased substantially. The areas where this can be done are rather limited.

This over emphasis in attempting to meet demand by increasing supply in the energy field is creating some tremendous distortions in our economy and in our environment, as well as tremendous social distortions.

● (2030)

I wish to name one or two of these areas where the distortions are particularly evident. The James Bay project is most disturbing. Parts of the project make sense and may be carried out very easily. However, when we talk about the James Bay project in terms of $10 billion or $12 billion, along with the South Indian Lake project, the proposed Mackenzie Valley Pipeline, and the tar sands investment when we speak about $100 billion of energy investment in the next 10 years, $100 billion, we are talking about creating tremendous problems and a very serious dislocation of our economy. We must ask ourselves whether these projects are worth it? Are there better ways of doing this?

I mentioned the environmental situation. When costing these projects, we must start internalizing some of the external costs. We must internalize the environmental and social costs to the native population.

The South Indian Lake project is not as costly in terms of investment. However, it is very costly in terms of the environment and what it will do to our native people.

There are many things to be taken into consideration. For example, if the James Bay project and several others were being undertaken at the same time with the use of foreign funds, this would distort the picture through increased value of the Canadian dollar. What happens when the Canadian dollar rises to $1.10, $1.15 or $1.20 in terms of an important industry like pulp and paper so sensitive to dollar fluctuation? This is a very important industry in Quebec, northern Ontario, British Columbia and other parts of the country. Industries such as this will suffer with this kind of dislocation.

We must begin rationalizing our efforts to increase supply. Although it is necessary to increase supply naturally, we must look at it very carefully.

I now wish to deal with the Mackenzie Valley pipeline. It appears that perhaps the bottom has fallen out due to the proposition of EL PASSO to run the gas across the Valdez cut. However, it looks as though the oil pipeline will go ahead. The United States government has again mentioned it.

[*Translation*]

The Acting Speaker (Mrs. Morin): Does the hon. member wish to put a question?

Mr. Gérard Laprise (Abitibi): The hon. member has just spoken of the James Bay development, now in progress in my riding; before he changes the subject, I wonder if he would be willing to answer a question.

[*English*]

The Acting Speaker (Mrs. Morin): Does the hon. member for Fort William wish to answer this question?

Mr. McRae: Yes, Madam Speaker.

[*Translation*]

Mr. Laprise: The hon. member is concerned about the effects of the development of the James Bay energy resources. Would he have anything to suggest other than the hydroelectric development in that area to meet the needs of the province of Quebec in terms of energy?

[*English*]

Mr. McRae: I do not want to get into a long debate on this topic, but I do agree that part of the James Bay project may have some merit as a hydro scheme. However, I also suggest the CANDU reactor type of program has a great deal of merit. I have an interest in this program. It is the kind of thing we should be examining. However, it is a matter of opinion. I feel we should look at alternate ways of doing this.

The Mackenzie Valley oil pipeline is another very large project. It will be a good deal more expensive than the gas project, and much more difficult to engineer by reason of the fact that the oil must be heated to 180 degrees in order to flow through the pipeline. There is also the problem of going through the tundra. There is the very special problem of going through the semi-tundra. Some areas have perma frost, others do not. This will create many problems.

I am very concerned about the Mackenzie Valley situation. A group of members of this House talked to members of the United States congress about a year ago. They indicated they would like this Mackenzie Valley oil pipeline in 1982. I think there is some honesty there.

We have another problem and it is becoming a very dangerous situation. It has to do with the Cherry Point situation. When we talked to the Americans last summer we were assured beyond any doubt that the super tankers that would be plying the waters around the Strait of Juan de Fuca and Cherry Point would be double skinned. There was no question about their being double bottomed. We now find this is not to be the case. These are single skin ships.

On August 29 a Canadian delegation met with the Americans. It is my understanding that this matter was not even raised. We had a commitment that these ships would have double bottoms and there would be other precautions. These precautions are not being taken. It is almost a certainty that a collision will occur, and the whole area around Cherry Point and the islands around Vancouver will be polluted by oil. They will be virtually destroyed environmentally. Situations of this kind must be carefully studied.

I am concerned about ways and means of reducing our demand for all types of energy. This must be done in the most intelligent way possible. For example, we have an office of energy conservation. That office must be given all help possible. We must be prepared to spend money in order to reduce this demand for energy. Money spent in this way would be far more productive than the vast sums

of money that will have to be spent if we continue on the path of increasing supply to meet demand.

I wish to spend a moment on the world food situation. Here, increasing supply is all we can do. I well remember sitting in an auditorium in Thunder Bay in the mid sixties when the headmasters of the province of Ontario were being addressed by Dr. Brock Chisholm, a very famous Canadian, and executive director of the World Health Organization. He drew a vivid picture of food problems that would develop in the world in the next 10 to 15 years. He talked about what would happen in the early seventies. His predictions have proven very accurate.

Throughout the sixties there was an increase in food production, not only in the developed world but also the underdeveloped world. However, in 1972, due to a combination of bad weather conditions in various parts of the world and a series of other events, cereal crops were reduced by 33 million tons from a total production of 1200 million tons. In the meantime, while this was going on, 75 million more mouths had to be fed, using 25 additional tons of cereals. So there was a net loss of 58 million tons in 1972. The year 1973 was more favourable but there was still a net loss.

● (2040)

In 1974 the situation may be very grave. There was an extremely wet spring in parts of Canada and the United States, a very dry summer, and an early frost in the fall—the worst possible combination of events. I understand that the crop situation in the U.S.S.R. is also not measuring up to expectations. We find the Sahara desert spreading annually and there is a major famine there.

According to the Canadian Conference on the World Food problem held this week, the world has about 26 days' supply of cereal grains in storage. In other words, if there was a serious stoppage of production of cereal grain, the world could survive 26 days before stocks ran out. A few people are becoming very concerned about the world food situation.

An hon. Member: You are doing all right!

Mr. McRae: I admit I am one who should, perhaps, be more concerned personally. Earlier I mentioned the causes which led to the present situation, and they certainly have to do with the relative affluence of a few people like myself and a few others around here.

I think the FAO Conference in Rome in November must be regarded as of extreme importance. Something will have to be done. The papers I have seen for use as a basis for the Rome meeting indicate there will be strong pressure in this direction. Here we find a situation in which we must increase the food supply. One way of doing this is to put more land into production. Another is to prevent our cities eating up rich agricultural land. Another is to increase the production of fertilizer, especially of synthetic fertilizer.

We ought to convert more fuel energy into fertilizer. I believe that today 7.9 per cent of our gasoline and 17 per cent of our diesel fuel is used on farms. Vast amounts of natural gas, particularly, are required in fertilizer production today. It is important that natural gas be used for fertilizer in an effort to increase the world food supply rather than being used in directions which are less important.

We should also show more concern about constructing adequate facilities for food storage. We cannot rest easy with 26 days' supply on hand.

Mr. Horner: Or throwing away 42 million eggs.

Mr. McRae: We must increase supply in order to meet increased demand and, in another area, we must do more than we have yet done to discourage population growth. I was not happy with the results which came out of the recent conference on world population. A great deal of thinking needs to go into this. While the world population continues to double every 33 years there is bound to be a continuing shortage of food.

We must increase the food supply, but at the same time we ought to take a careful look at whether increasing demand should be encouraged. I should like to quote from an address given by the Minister of Finance (Mr. Turner) to the Canadian Conference on Banking in Ottawa on September 16:

> I propose to press our view that the best and most effective way to overcome the problem of inflation is through policies aimed at encouraging an increase in output and supply. It is important to moderate demand so as to ensure that output does not press too hard against the physical limits of capacity, which would itself serve to generate inflationary pressures.

That is particularly true in the fuel area.

In the few minutes which are left to me I should like to deal, as is customary on this occasion, with a situation in my own riding, particularly with the transportation facilities at Thunder Bay the part they play in the economic and social life of the country.

If we can picture transportation routes in Canada west of Thunder Bay as being two super highways running almost to Thunder Bay, and Canada east of Thunder Bay as being two village roads running east of Thunder Bay, that is more or less the situation. I will explain it a little further. There is the Trans-Canada Highway. We have two of them with paved shoulders and four lanes in many places running right from Vancouver to the Ontario border, and then we have a country road at the Ontario border, an absolute disgrace, a winding highway with unpaved shoulders. While, this is not what I really wanted to spend time on today, I must say we must do something to improve the Trans-Canada Highway. It is a disgrace. It is time the federal government and the province got together and did something about it.

It is the rail connections I want to talk about because I do not think we all realize the kind of situation we have in this country. We have virtually four lines of rail traffic going into Thunder Bay. We have double trackage on the northern line of the CN, or at least we have two lines running along there. We have a lot of double trackage on the CP west of Thunder Bay coming from the Rockies. We have a line from Sioux Look-out, we have the main line of the CP, and a CN line from Winnipeg through Rainy River. These are all, relatively speaking, good lines, lines built for heavy traffic. I know they are not maintained the way they should be maintained, but that is another story.

East of Thunder Bay you find only two tracks, which form second and third rate roads, railroad tracks which cannot take the kind of heavy loading which occurs west of Thunder Bay. Therein lies the importance of the harbour of Thunder Bay. All of the traffic comes from the west and very little flows east by rail. Most of it goes by ship.

● (2050)

An hon. Member: Not in the last few months.

Mr. McRae: That is right. It has also worried me a great deal that Thunder Bay, through which passes more than twice as much grain as passes through the port of Vancouver, hardly rated in terms of newspaper discussion about the strike.

An hon. Member: What about the percentage increase?

Mr. McRae: Well, you can talk about percentages if you like. What I am saying is that the port of Thunder Bay, now taking about 20 million tons of all cargo a year, about half the volume of the port of Vancouver, but handling about twice as much coarse grain as Vancouver, is now being asked to take another 10 to 20 million tons per year of coal shipped from the west to the east. We are going to have a growth problem in our harbour, situated in the centre of this country, which must be dealt with soon.

The Acting Speaker (Mrs. Morin): The Chair has been listening to the hon. member and must tell him that the time allotted to him has expired.

Mr. J. Robert Howie (York-Sunbury): I wish to congratulate Mr. Speaker on his election to what I consider to be the most important position of impartiality and justice in this venerable and vital institution, and without being facetious, Madam Speaker, I must say that you are the most attractive Speaker to grace this chair. I hold too in special esteem the Clerks at the table, the backbone of this House, and whose unseen hands in so many ways guide the destiny of the House.

The throne speech pays considerable attention to inflation, a situation in this country that is fast becoming a crisis. Nevertheless the Trudeau government, elected to office with a clear majority on July 8, apparently did not feel the situation sufficiently serious to call parliament into session before September 30. There is something reminiscent of Alice in Wonderland in this attitude of indifference to reality.

It could be said in truth that there is a world wide inflationary situation that affects our economy; but it is less than accurate to say that we can do nothing about it. All of the world's trading nations must do something about world inflation, and soon; each must start by putting its own house in order as far as it can, financially and economically. Regardless of our respective points of view, the problem is squarely before us, and its solution is imperative.

While I have great respect for every committee of this House that deals with the estimates and expenditures of government, and for ministers involved in the preparation of budget estimates, I believe the time has come to take a giant step forward in examining the total impact of government expenditures, and studying new systems and methods that can streamline our operation and lighten the burden on the Canadian taxpayers. As a corollary to this I believe we should examine the impact of government spending on the Canadian economy and its relationship to the inflationary spiral.

Since the royal commission on government organization, commonly called the Glassco Commission, reported in 1962, the $6.5 billion expenditure of that year has tripled in the 12 year interval to some $22 billion, shown in the main estimates before the 29th parliament, and those before this parliament are substantially the same.

In the 12 years since the Glassco Commission reported some outstanding social legislation has been enacted, and federal government assistance to disabled and disadvantaged Canadians has improved immeasurably, both in its quality and amount. Indeed in respect to disabled people, particularly the blind, and in respect to our senior citizens I find it easy to support the proposals of my colleagues in this House for even more generous treatment. I personally hope the day will come when the old age pension will no longer be regarded as income for tax purposes.

At the same time I believe we can make some real progress in identifying areas within each department of government which can, and should, provide a service for other departments of government, thus avoiding costly duplication and the tremendous expense of hiring outside professional and other services, and of consulting with experts outside the departments of government.

In department after department of government, estimated expenditures climb. The estimates I referred to earlier show that justice and the administration of our courts had an allocation of $23 million, more than double the previous year's budget. Correctional services were increased by $34 million to $172 million. The RCMP budget increased by $20 million to $125 million. The Food Prices Review Board rose to $1.9 million, up 90 per cent over the previous year. The CBC increased its budgeted expenditures by 25 per cent to $298.8 million. The Post Office went up 17 per cent to $689.7 million. The Commission on Official Languages was up 36 per cent to $1.9 million.

It is imperative that every expenditure receive the closest possible scrutiny, but the time allocated to our House committees to perform this function, and the research facilities needed to dig into it are not sufficient to do the best possible job for the Canadian people. I am sure the ministers of the Crown have done their utmost to cut the fat, and I am confident the opposition will demand every economy; but I feel too that the very essence of our administrative system should also be examined so that, through the combined efforts of all of us, we give the Canadian taxpayer the best break possible.

Our system, despite all its shortcomings, is good, but I think it can be improved. I feel that, considering the tremendous increase in the complexity of government organization since the Glassco Commission of 12 years ago, we need to examine our administrative process in the light of the vast improvements and changes that have taken place in business, accounting, policy auditing, and computerization, and thus ensure that the total delivery system of government best serves the challenge the

Canadian people have given us. We need another Glassco type commission now.

Socially and economically rural Canada faces a crisis. The social problems are caused by increased and disastrous depopulation; the economic problems by vulnerable markets and the cost-price squeeze. In my province of New Brunswick, since 1900 approximately 25,000 acres of farmland per year have been lost to agriculture for the purposes of forestry, housing, industrial and commercial development. In 1951 there were 26,431 census farms; in 1971 there were 5,485 census farms in New Brunswick. Rural non-farming inhabitants represent 39 per cent of the population of New Brunswick, a much larger percentage than elsewhere in Canada.

As a major step in revitalizing the agricultural industry I suggest we consider a program to expand the scope and volume of research programs designed to assist agriculture; undertake a comprehensive and sustained program of research into prospective domestic and world market demands for agricultural products, develop and expand secure markets for Canadian agricultural products, and help translate Canada's tremendous agricultural potential into reasonably priced food on the table for Canadians and, indeed, for hungry people throughout the world.

We should also undertake a comprehensive review of transportation requirements to find ways to improve the transport of agricultural products between the regions of Canada and into export position, and to reduce transportation costs to the farmer. We must mount an aggressive campaign to lower world tariffs on farm products, and to overcome other impediments to agricultural exports. We must also design a program to assist farmers to finance the purchase or modernizing of machinery, and to assist in developing a structure of service and community facilities in rural areas.

Each of the Atlantic provinces has developed a very significant livestock and poultry industry, which in New Brunswick alone during 1973 resulted in a farm cash income in excess of $46 million and represented nearly 50 per cent of the total cash income from all farming operations. The farm cash income from poultry, meat and eggs represented nearly 32 per cent of the cash income from all livestock and livestock products, including poultry.

The national policy on feed freight assistance was instituted to assist eastern Canada in producing more food during World War II, and was most successful in achieving this goal. This assistance is of major importance to the poultry and livestock industries in the Atlantic provinces, particularly in view of increasing freight rates and rising costs associated with this area of food production.

● (2100)

Poultry feed must have wheat or corn as the major basic ingredient. Neither of these grains has been grown very successfully in these provinces as yet, and we should be very sure that local grain can and will be grown before freight assistance is reduced. Without freight assistance our livestock and poultry industry, especially hogs and poultry, would be at a great disadvantage in competing even for our own markets against provinces or areas with a shorter rail haul. Without feed freight assistance in New Brunswick we would be in an impossible position.

[Mr. Howie.]

Recently we have been hearing about becoming self-sufficient in home grown grains. Experience over the years has shown this to be very difficult to achieve. Statistics show that we are subject to three to five crop failures for every good one we enjoy. It is evident that a great deal of work needs to be done to develop new varieties and new techniques before we can even hope to come near being self-sufficient.

At present we produce 30 per cent to 40 per cent of our feed grains and must rely on western Canada for the balance. We have a long way to go before we are nearly self-sufficient enough in feed grains, especially in high energy feed that we must have for poultry feed. Any deterioration in these types of production will result in the loss of many thousands of jobs.

I suggest that realistic assistance to Maritime farmers should include: (1), the expansion of the feed freight assistance program to include all grain, corn, livestock feed protein and phosphates, and that the assistance be indexed to reflect, at all times, the actual and increasing cost of movement; (2) the development of an Atlantic grain program that would include comprehensive handling, drying, storage, marketing and transportation assistance provisions; (3), a crash program to support more extensively research to be conducted in the Maritimes to assist in the development of a hardy species of grain indigenous to Maritime growing conditions and that can be integrated with the potato growing and harvest season; and (4), the development of a system of grain elevators near our ports to purchase and store early in the season a year's supply of needed western grain, to be sold at a constant price throughout the season to Maritime farmers.

I should now like to say a word about our woodlots. In the long run society will derive greater benefits from privately owned woodlots if they are operated by owners who have an interest in their continuing value and yield, rather than be persons who purchase woodlots for cutting rights for the purpose of liquidating the merchantable standing timber in the near future, and who have little or no interest in their other potential value.

Under the rules which currently govern the application of the Income Tax Act, the net returns to an owner-operator of a woodlot are classed and taxed as income. The stumpage value of the trees cut is included. But if a woodlot owner sells cutting rights, called stumpage, to an operator, the proceeds of the sale are classed as the disposal of capital, and only one-half of the increase in value since "V day" is taxable as capital gain. If a woodlot owner has a taxable income, the advantage to him of selling cutting rights, rather than operating the woodlot himself, is obvious.

The operator who purchases cutting rights can claim the cost of the stumpage as an operating cost against the returns from the operation, and the stumpage value is not taxable in his hands. It is true that if an operator-owner can establish a cost base for a woodlot he can claim a capital cost or depletion allowance. However, if the woodlot was purchased several decades ago, or acquired in a way that makes it difficult to establish a cost base, the depletion allowance is likely to be only a small fraction of the stumpage value. There is also the risk that if excessive

depletion is claimed, "recaptured depletion" will be taxed as income if and when the property is sold. This provision is less attractive to a woodlot owner than the sale of cutting rights which, as I say, we call stumpage.

The forest resources study in New Brunswick recommends a substantial expansion of the forest extension service, and investment of public funds to encourage more effective operations by woodlot owners. Assessment rolls indicate that there are about 37,000 woodlot owners in New Brunswick, and collectively they own about 25 per cent of the forest land in the province. The percentage of forest land in woodlots is even higher in Nova Scotia and Prince Edward Island.

The discrimination against the woodlot owner-operator should be removed by ruling that the stumpage value of the timber he cuts be regarded as the disposal of capital, and subject to capital gains rules instead of being taxed as income. This would do much to increase production while reducing costs and stabilizing the market.

Let me say a word about tidal power, which has long been advocated by the hon. member for Cumberland-Colchester North (Mr. Coates). We have a great and immediate problem in this country regarding a most vital situation, a matter which will drastically affect our whole social and economic structure; the energy situation.

Unless the government takes early and appropriate action the Atlantic provinces, which are now starting to narrow the gap of their economic disparity with the rest of the country, will be the section of the country which will particularly receive a severe blow if some long-range and constructive national energy policy is not implemented soon. This is because of the dependence on imported foreign oil for a high percentage of our energy needs at the present time. Yet the Atlantic provinces' region of Canada has within its area some of the greatest energy potentials in the world.

At the head of the Bay of Fundy, between New Brunswick and Nova Scotia, the tides rise and fall some 50 feet twice a day, day in and day out, and this phenomenon will go on forever into the future. The magnitude of this tidal range is higher than anywhere else in the world. The volume of water, which regularly and predictably rushes into this unique funnel-shaped topography between our two provinces, amounts to many times the flow of water in the St. Lawrence River. The energy which this volume of water could generate when passing through turbines, amounts to billions of kilowatt hours when converted into electric energy, and in turn represents millions of barrels of oil available every year, and year after year.

The feasibility of tidal power development in the Bay of Fundy was studied and reported upon in 1969 by a board having representation from New Brunswick, Nova Scotia and the federal government. I learned from that report that the three sites which were studied in some detail could produce over 87 billion kilowatt hours of electrical energy every year. Some 125 million barrels of oil would be required to generate that amount of electrical energy.

Another analysis contained in the 1969 Tidal Board's Report states that under a double effect scheme of development, 8.7 million kilowatts of installed capacity would generate 17 billion kilowatt hours of energy. The total capital cost of this scheme was estimated to be some $2 billion, and the estimated energy cost of one site was 5.5 mills per kilowatt hour. The estimate was based upon 7 per cent cost of money, but was compared with oil-fired thermal generation when oil was costing in the vicinity of $1 per barrel.

It is time that the tidal potential of the Atlantic region be actively reviewed and all avenues of innovation implemented. I have discussed the energy potential of the Bay of Fundy tides with engineers who feel that other sites are available which were not studied, even in a preliminary way, by the 1969 board because of the magnitude of the power potential and the corresponding large capital cost. Conditions have changed drastically since 1969 when it was considered prudent not to proceed further with the tidal power concept because of the magnitude of the project, and because at that time oil would produce electrical energy at a slightly cheaper cost.

What a gold mine the Atlantic region and Canada would have today if governments of that day had been less cautious and had proceeded with the construction of this renewable resource and brought it into production!

There must be more positive action taken by government now in meeting the energy problems of our Atlantic region and of the country as a whole. We must not only be concerned about the supply and the use of our non-renewable energy resources such as oil, gas and coal, but more thought must be given to our renewable energy resources such as tidal and conventional hydro power. As long as the moon is in the sky we will have our tides, and as long as the rains come we will have falling water, all of which can produce energy and can be converted into equivalent barrels of oil, which can be used or sold independently of the whims of the Arabs or any other foreign influence.

The sooner these great sources of renewable wealth can be developed for the benefit of the citizens of Canada, the better. I would suggest that it is time for a policy to be implemented whereby we in this country start to recognize the great and unique potentials which we have in renewable energy resources, and put them to use, rather than letting them go to waste while we use up our non-renewable resources or import fossil fuels from others at blackmail prices.

As I see our need in the Atlantic region, we should be developing our tremendously large tidal potential as rapidly as possible. Newfoundland in particular has undeveloped hydro potential equal to or greater than Churchill Falls. The extension of very heavy electric transmission grid systems should be part of this program. Our initial surplus of energy should be sold to our neighbours, first to neighbouring provinces and then to the United States on a recallable basis. The price for such energy to the United States should be based upon its alternate cost of generation. We would then be amortizing our capital investment at an accelerated rate during the period of supply surplus to our requirements, and we would be building our plants at lower costs than would be indicated in the future because of our ever persistent inflationary trends.

● (2110)

The profits which would be accumulated from sale of surplus energy could be used to develop still more of our renewable energy resources.

Through this kind of policy, which would require massive capital expenditure and could only be undertaken by the federal government financing the projects for the provinces, some of the advantages would be: (1), we could make ourselves independent regarding our energy requirements; (2), we could improve our balance of payments position through selling energy which would be initially surplus to our requirements into a receptive market area; (3), we would have for our own use more economic energy, with less risk from ever increasing fuel costs, over a long period of time; (4), we would accelerate the write-off of our investment and have a valuable asset to pass on to future generations; (5), energy would be produced not only on a renewable basis, but also without degradation to the environment; (6), problem of regional disparity of the Atlantic region would be solved. In fact, by development of these resources the Atlantic region could be contributing to the well being of the rest of the country.

A very strong national power transmission system, with inter-connection and ties into a North American continental transmission grid, is greatly needed. Surplus energy from one region would be put into the grid, and areas with deficiencies would buy from the gird. With gas and oil pipelines, which would extend across Canada from coast to coast and allow the flexible interchange of fuels, plus a super electrical transmission grid, this country would lead the world in social and economic development, and our bargaining power, especially with the United States would be greatly improved.

To make use of the advantages which our country has, second to none in the world, we must have more courage in taking our place as world leaders. We must better co-ordinate and stimulate the efforts of industry, government, labour and universities, so that not only may the vast energy potentials of the tides of the Bay of Fundy be developed for the benefit of Canada, but so that we might become less complacent and more innovative.

There must be more research and development in many new technological fields, especially in those fields where we have such tremendous wealth of resources, particularly in the renewable resource areas. Many others will wish to exploit our great potentials. We must be ahead of the pack in technology, in courage, and in management skills in order to protect our environment, to assure that we are not exploited, to assure we assume the kind of leadership that will have great benefit for Canada, and to assure that we use our advantages to give world leadership.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I should like to join other hon. members in congratulating our newly elected Speaker, yourself and your associates. I should also like to extend good wishes to our Governor General for his speedy recovery.

I feel I would be remiss if I did not thank the people of Cardigan once again for the honour they bestowed on me, by electing me for the second time to be their representative in Ottawa. The carrying out of my responsibility to the people of Cardigan is indeed a continuing challenge which I look forward to meeting with renewed vigour in this new Parliament.

Hon. members will recall that a comprehensive development plan for Prince Edward Island was signed in March 1969. During Phase I of the plan many of the programs which have been successful on the Island—are being considered nationally. Phase II, which is now being negotiated, will, I am certain, produce many more programs which can be used by all Canadians. Co-operation between the federal and provincial governements has helped make this plan a success, and the basic plan is being used as a model for agreements with other provinces.

Testimony to the fact that the plan is working is that the number of people leaving the Island has declined substantially, to the point where we now have a real population growth on the Island. This means that a whole new generation of young people can find interesting and challenging opportunities on Prince Edward Island instead of having to move to other parts of Canada or to the United States.

Being from a small geographic area which has an abundance of peaceful charm, we realized that those from large urban areas envy us. We wish to try to avoid some of the mistakes made in those areas by balancing our development and continuing to offer our younger generation better opportunities for work. I want to assure you that we are not prepared to have development simply for the sake of development. What we are looking for are certain kinds of development which will allow us a reasonable standard of living and, at the same time, let us retain and further develop those environmental qualities which have become so precious today.

The basis of Prince Edward Island's economy has long been and will continue to be the agricultural and fishing industries. I am sure that all Islanders applaud the stated objective in the throne speech to increase food production by providing incentives to our farmers and fishermen, including the stabilization of incomes and markets. The Minister of Agriculture (Mr. Whelan) has demonstrated great leadership in this direction already.

Island fishermen are extremely pleased with the government's action to ensure Canada's right to manage its coastal resources and environment. Meetings will be held shortly to discuss further measures to conserve our declining fish stocks, as well as the need to regulate licensing of the existing fishery.

Fishermen on the Island are in agreement with the continuing program of up-grading small craft harbours. Results of the last two years are quite evident following federal government expenditures of approximately $1 million on these facilities.

In the government's fight against unemployment, approximately $4 million has been allocated to Prince Edward Island in the Local Initiative Program's budgets of the last three years. Many hundreds of jobs were created during the winters, and the program has been most beneficial to the economy of the area. In the same vein, the Opportunities for Youth program with a budget of $1,300,000 in Prince Edward Island over the last four years, has

funded more than 300 projects and made a major contribution toward student employment.

All hon. members must heartily approve the government's projected plans in the housing field to assist those hardest hit by inflation. In line with this, already in this calendar year senior citizens on the Island have learned of CMHC loans to the PEI Housing Authority totalling $2,500,000 for construction of senior citizens' complexes across the Island. The construction of four two-storey apartment buildings in Charlottetown containing 96 one-bedroom apartments, as well as of 38 row housing units in six communities, has been approved for this very extensive program.

This assistance to senior citizens was only one of the measures carried out and planned. Government plans, in this session, regarding increases in maximum pensionable earnings and payments of allowances to spouses of old age security recipients will be very welcome indeed to our elderly.

I also welcome this opportunity, Mr. Speaker, to speak to hon. members about the Department of Veterans Affairs.

The senior members of the House are aware that my portfolio includes four other very important agencies which are autonomous but which report to parliament through me. If you will permit me, Mr. Speaker, I would like to describe briefly the agencies and their functions for the benefit of new hon. members who are sitting in this House for the first time. These four agencies are the Canadian Pension Commission, the War Veterans Allowance Board, the Pension Review Board and the Bureau of Pensions Advocates.

The Canadian Pension Commission operates under the legislation contained in the Pension Act. It is concerned with the adjudication of applications for pension entitlement and with the administration of pensions which are granted. I am referring to disability pensions which are awarded as a direct result of injuries, or illness incurred during wartime service. It also awards and administers the pensions paid to the eligible widows and children of those who were killed or died as a result of their war service.

● (2120)

The War Veterans Allowance Board's activities are concerned with the administration of the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act. These acts contain the legislation which permits the payment of allowances to qualified veterans and their spouses, or widows and children, who are suffering from economic distress.

They are not to be confused with disability pensions although we do have some cases of veterans who are receiving disability pensions from the Canadian Pension Commission and are also recipients of the War Veterans Allowances.

The Bureau of Pensions Advocates is a publicly financed body whose members prepare and present the cases of veterans, or their dependants who wish to make application to the Pension Commission. It also handles the appeals of applicants who are dissatisfied with the decision of the Pension Commission's entitlement boards.

These appeals are adjudicated by the other autonomous agency in the Veterans Affairs portfolio, the Pension Review Board. It hears appeals against the Pension Commission's decisions, both for entitlement and amounts awarded. It also hands down rulings on matters of interpretation of the pension legislation.

These then, Mr. Speaker, are the other members of the Veterans Affairs family, and I would like to thank the senior members of the House for their patience in listening to the explanation of something that was already familiar to them.

The responsibility imposed upon my ministry by the legislation which has been enacted by previous parliaments of behalf of our veterans and their dependants continues to grow both in complexity and amount. It is not a reducing responsibility, as some might believe, and this fact is borne out by the results of the 1971 census which were released earlier this year.

The 1971 census indicated that there are still nearly a million veterans living in Canada. More than 80 per cent of these are married and many of them still have dependent children. Accordingly, we estimate that there are probably nearly 2 million Canadian citizens who are potentially entitled to one or more benefits under the various pieces of veterans legislation.

To get back to actual figures, there were more than 30,000 veterans and dependants who were active clients of the Department of Veterans Affairs as of March 31 last. These included disability pensioners, war veterans allowance recipients, patients in our hospitals across the country, widows, orphans, children receiving educational assistance and those holding contracts under the Veterans Land Act.

It is not my intention today to describe in detail the many programs and achievements which have had an impact on our veteran population since I became Minister of Veterans Affairs in 1972. I am confident that the record speaks for itself, and I am very proud of that record.

However, I do not want to leave you with the impression that we are a static organization. We are continually trying to improve the legislation covering our veterans and their families to keep pace with the changing social and economic conditions.

I think evidence of this good faith was displayed just last Wednesday when I tabled a bill to amend the War Veterans Allowance and Civilian War Pensions and Allowances Act. The increases in rates and ceilings, and the other additional benefits included in this bill, were planned many months ago.

I had hoped that this very special group of veterans would be receiving these benefits by now. Unfortunately, the timetable was delayed, as honourable members are well aware. However, I certainly hope that the passage of this bill can be accelerated now so that the thousands of men and women who served our country so honourably and well can soon be enjoying a more rewarding standard of living.

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): I will continue to consider other legislation and regulations which affect our veterans and their families with a view to making fair and reasonable changes whenever necessary. I would like to tell honourable members that the National Council of Veterans Associations and the Royal Canadian Legion are always most helpful both to me and my senior officials whenever we sit down to discuss matters such as benefits and hospital care for veterans. They are reasonable in their requests and sincere in their motives. They have the interests and welfare of our million veterans at heart, and they have made many significant contributions to what I firmly believe is the best veterans legislation program that exists anywhere in the world.

One of the pieces of legislation in our veterans charter which has been frequently discussed in the past year or so is the Veterans Land Act. I think all members are aware that, last spring, the deadline for those holding qualification certificates to exercise their rights under VLA was extended to March 31, 1975.

The Veterans Land Act was established as a rehabilitation project for those returning to peacetime activities after the end of World War II. It was one of several options available to the discharged servicemen, and it proved very successful for many thousands of our veterans in establishing themselves as farmers or commercial fishermen, or on small holdings. That is what it was designed for and it worked.

Today there are some who are urging that its provisions be extended and increased so as to provide assistance for purchasing retirement homes. It has concerned me that a certain number of people who are advocating these changes in VLA are claiming that my reluctance to change this legislation now is a denial of veterans' rights.

I reject those suggestions completely, Mr. Speaker. The record of this government in the field of veterans legislation has been outstanding. The actions of this administration towards our veterans reminds me of the motto of that famous western regiment, the Fort Garry Horse. It is "*non facta verba*"—deeds, not words. The government is giving careful consideration to the whole matter of the Veterans Land Act, and an announcement on this subject will be made at a very early date.

There is another aspect to the operation of my portfolio which I would like to mention today. This is our responsibility to those who fell in the defence of our country, and it is our duty to remember and revere their sacrifice.

On November 7 next, with the co-operation of my colleague, the Secretary of State (Mr. Faulkner), there will be an exhibition of photography on display at the Canadian War Museum. This series of coloured photos will show war cemeteries in more than 70 countries of the world where Canadians, who fought and died in the two World Wars and Korea, are buried. It also has pictures of the principal memorials commemorating those who have no known graves.

At the same time we will be introducing a magnificently illustrated edition of a new publication entitled "Silent Witnesses". This book also honours the 116,000 Canadians who died for the freedom you and I know today but which some accept so casually. We must never forget that it was their sacrifice that made it possible.

I thank you, Mr. Speaker, for the privilege of speaking today. I trust I have demonstrated to hon. members that my department is well aware of the obligations it has to those who so gallantly offered their services to our country in time of war. We will continue to honour those obligations.

• (2130)

Mr. Peter Elzinga (Pembina): Mr. Speaker, may I begin by congratulating the hon. member for Sudbury (Mr. Jerome) and his assistants on their appointments. It is with high expectations that I look forward to working with him and the other members of this House. I wish His Excellency the Governor General a speedy recovery.

I also wish to pay tribute to individuals who have had an effect on my seeking public office, individuals such as the hon. member for Halifax (Mr. Stanfield) and the right hon. member for Prince Albert (Mr. Diefenbaker), and the former members for the Pembina riding, Mr. Jack Bigg and Mr. Dan Hollands.

I thank the electorate of Pembina. I am conscious of the trust placed in me by them. I pledge co-operation in the House, co-operation between all members of all parties, and although my first concern is the constituency of Pembina, my interests will include all Canadians.

We have had the honour of having both the hon. Leader of the Opposition and the Prime Minister (Mr. Trudeau) in our constituency. I am sure they will agree when I say that the Pembina constituency is a cross section of people and environments. In it we have a highly industrialized area, a large agricultural area, and densely populated urban areas.

This constituency is a good place in which to live. In some areas it lacks in natural wealth, but an area in which it does not lack wealth is the area of enduring common sense. In these people lie a deep rooted human feeling to do what is best for Canada. They have some old fashioned notions of good manners, honour, and duty towards God and their country. We can learn from them, those of us who run around with our vulnerable egos; we who are more interested in power than in governing.

The purpose of politics is not to justify our own existence but to do something for our country. Our problems will not be solved by legal manoeuvers—they will be solved on the basis of trust. We have a moral responsibility to get our foodstuff to the people who need it, at a reasonable price. We have a moral responsibility to see that our producer receives a fair return on his product.

Canada is failing in her role as a major world food supplier, and as a leader in the agricultural field generally, because of a lack of leadership from this administration. I suppose the greatest issues in agricultural marketing are the so-called cheap food policies, the evolution of consumerism and the apparent fear that politicians have of the consumer. Events of the past well illustrate this fear; the Nixonomics that affect the beef industry, the U.S. export embargoes, and Canada's export permit system.

It will probably take many more months before order is restored in the marketplace following the chaos that

resulted from these decisions. However, I feel that something has happened through all of this that may never be restored at any future date. That something is the faith of the farmer in the systems; his faith in the marketplace and its cycles.

As market forecasters are only too well aware, it is becoming increasingly difficult to predict prices. This fact presents a very large problem to the farmer. We are caught in a real quandary; that of quickly rising production costs and the obvious efforts of governments to protect the consumer from these natural cost increases. These efforts distort normal price cycles as illustrated by the federal government's latest scheme with respect to the beef industry. I fail to see how any politician can be naive enough to think he can increase the producer's returns and still keep down the price at the retail level with a program such as this.

Right now stabilization is, I understand, a big deal in government circles. Of course we all know that it is designed to level out the income of the farmer, but I am not so sure that that means any profitability. From what I can gather from people working in this area, there are a few problems. If production controls are not to be implemented then the profit margin must be minimal in order to prevent overproduction. I must admit that I find the fear of overproduction humourous, because every time one turns around lately it appears as if the government has come back from some great trade mission with news of great market potentials. So what is the worry?

I have not met a thinking farmer yet who really wanted anybody stabilizing his income. Most farmers are entirely competent to look after this themselves. Also, as pointed out previously, when the risk is removed so is profitability, and in this day and age, considering risk, volume of money involved, etc., why should a farmer work for nothing? One of the few drawing cards to farming is potential profit, and to remove that at this time would only guarantee an even greater movement of young people out of farming.

What is rapidly becoming necessary, however, is some form of protection from man made catastrophes in the marketplace, which result in certain segments of the industry losing great amounts of money. An example of what I mean is the U.S. price freeze on beef and its subsequent effects on the beef industry. The interim feed grain policy would also fit into this category, although only in its method of establishing price and not so much the price of grain itself.

I am sure we will see more of these predicaments as food prices continue to rise and governments continue to react. The consumers and governments are only kidding themselves because farm price increases are necessary to keep abreast of cost increases and inflation and, more important, to attract young people into farming.

In 1970 grain was a glut on the market and pig prices were going down. Pigs, however, appeared to be the most practical enterprise in our circumstances. Converting grain to animal products seemed like a logical thing to do because more people wanted pork than barley. Even the government agreed.

Everything worked great until last year when the world ran out of grain. As you know, grain prices soared, beef and pig prices dropped, and the grain industry quickly forgot the market it had sacrificed so much to establish. I certainly do not begrudge the grain producer his present prices; they are long overdue, but by the same token he should not forget either that the steer or the pig was his only market not too long ago and could easily be again in the not too distant future.

Contracts that bind the buyer and seller into a pricing arrangement will probably become increasingly important to the producer, especially the young producer, who must protect himself from loss situations. A fine example of this sort of contract that I am a bit familiar with is the hog export program. There is reasonable profit built in, as well as the guarantee of supply, which the buyer is coming to realize as being almost as important as prices.

I hope that if domestic price rises above the export price by a large amount the government will not place an embargo on the export of hogs in an attempt to lower the domestic price. I raise this point because I feel it is a real fear, given the past track record of the federal government. In the Throne Speech the Prime Minister pledged to keep food costs down at almost any cost, and I am sure the farmers' wellbeing will be the first sacrifice in any attempt to achieve this goal.

One observation I have made is that at any given time some segment of the industry is suffering; that is, if the grain producer is making money, the livestock producer is not, or vice versa. There was a brief exception to this recently and during that short period all segments were doing well. The harmony between farmers was great and each appreciated the effort of the other.

● (2140)

If one dare draw analogies, I would like to compare the agricultural industry with the automotive industry. Each separate industry—tire, spark plug, glass manufacturer and so on, supplying something towards the final product, the car—prospers. Why, in food production, must one segment generally be suffering financially?

Personally, I feel agriculture is our most important industry. It is renewable and there is no substitute for food. I feel that the real issue in marketing from now on will be to keep all segments prospering, and I think this should be the challenge.

Occasionally consumers will complain that food costs are too high, but they do not realize that in the cost of a loaf of bread the cost of the cellophane wrapping has risen from 9 per cent of the total cost to 39 per cent. Half of what we purchase at supermarkets is not food but soaps, deodorants, tissues, magazines and other non-food products. It is my hope and belief that Canada, as a whole, will gain substantial social and economic benefits with the revitalization of rural Canada. I hope that those of us here in political office will do justice to this office by thinking beyond today and by stating our fundamental choices for tomorrow.

It is my hope also that we, the politicians, particularly those in leadership positions, will have the courage to spell out the real challenges facing Canada at home and abroad. Inflation is a serious problem, especially for the poor

among us. No government can command inflation to go away, but what it can do is give us the leadership required to control it, and that has not been forthcoming from this administration. The growth-rate of Canada's economy is zero, and inflation is over 10 per cent.

Today it is almost a crime for an individual to be a success. It is not right to be thrifty and astute. There are those who would relieve the successful of their life's rewards to give to those who, often through their own irresponsibility, have not reached the same level. Of course, the ones who should be helped are those who have remained at the bottom of the scale through no fault of their own. There is nothing that will squelch human initiative more than a guarantee that the government will look after you. Just remember, all the promises made by politicians will be paid for with public money and not theirs.

It is saddening to think that Canadians take handouts and guarantees of government aid as something honourable. I can remember the day when it was considered something of a shame by those who were proud of their ability to make it on their own. As I have said before, any government which taxes away the rewards of responsible behaviour and effort so that it can remove the penalties for irresponsible behaviour is not something we need or want in Canada.

Some hon. Members: Hear, hear!

Mr. Elzinga: It is my position that our market can be well supplied by private enterprise if the climate set by government is conducive to investment.

The Speech from the Throne was a great statement of generalities dealing with motherhood and brotherhood, but when are we going to deal with the moral obligations that affect our national welfare? We need a responsible government that is going to give us this leadership, not a government that destroys the initiative of the individual. How can we admire an administration that will allow 30 million eggs to rot when humans are suffering and dying of starvation?

It is my hope that we can do a job for Canadians. I realize the job is going to be tough, but it is vital and it is a challenge that cannot be refused. The majority of Canadians are looking to us to come to grips with the nation's problems. Now it is up to us to live up to our pledge.

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, I join other members in extending my congratulations. I particularly want to congratulate Mr. Speaker. On the day he was holding his reception I wandered into this chamber. The security must have been less tight than normal. I saw two fine young blond lads. They felt it was important to sit in their father's seat. I thought this indicated the kind of Speaker we have. In fact they clearly indicated which arm he would lean on and how he would hold his chin next. I also wish to congratulate the others who will be assisting the Speaker.

[*Translation*]

I also want to congratulate the hon. member for Montmorency (Mr. Duclos) because he talks about his riding as if it were a very dignified lady. He loves his riding very much.

[Mr. Elzinga.]

[*English*]

Also, I am extremely proud to be associated with a person like the hon. member for Vancouver East (Mr. Lee) who, in seconding the Address in Reply, was an example of the youth we have always known are with us.

It is an honour for me to be in this House. The first time I sat here in the galleries. That was February 8, 1932. Mackenzie King and R.B. Bennett were debating the Speech from the Throne. I am very fortunate in that I had a mother who was an organizer in the Conservative party.

Some hon. Members: Hear, hear!

Mr. MacFarlane: My father was an organizer in the Liberal party.

Some hon. Members: Hear, hear!

Mr. MacFarlane: We were a family of five living together during the depression. Our roomer was a man called Coldwell of the C.C.F. who joined the House in 1935.

Some hon. Members: Hear, hear!

Mr. MacFarlane: I remember him very well. In those days he was a poor member of parliament. He did something that offended a young person very strongly. In those days we used to eat shredded wheat; sometimes as a snack at night, sometimes toasted in the morning and sometimes with jam at noon. It was a good staple. I used to save the box tops for a Buck Rogers badge. I wanted to become space commander. Mr. Coldwell had holes in his shoes. He used to cut off the boxtops and put them in the bottoms of his shoes to stop the rain coming through to his socks. I have not trusted the socialists since. Actually I considered knowing him an honour. I say this in all sincerity.

I am in this House because I have admired many people who were here, and many who still are. There is no doubt that one man who had great influence on me is the right hon. member for Prince Albert (Mr. Diefenbaker), a man whom I admire and think of very highly.

Some hon. Members: Hear, hear!

Mr. MacFarlane: I have to say that I also think very highly of un petit gars de Verdun who lost his way, the hon. member for Saint-Hyacinthe (Mr. Wagner). He now sits on the other side of the House.

There has of course been great influence on this side of the House. I would be remiss if I did not advise that the Verdun mafia, the Postmaster General (Mr. MacKasey), had great influence on me in the early years. I also feel very strongly about the Minister of Labour (Mr. Munro). He is a very close friend of myself, and the hon. member for Hamilton West (Mr. Alexander).

Mr. Alexander: Oh, I don't know about that, Gus.

Mr. MacFarlane: Over-riding all of these, as a person who left university to come to the House of Commons, I was most influenced by our Prime Minister (Mr. Trudeau).

Some hon. Members: Hear, hear!

Mr. MacFarlane: More than anyone else, he made me think I could work with other members and do an honourable job. That is exactly what I hope we can do.

As the voice for Hamilton Mountain I think I should say something about what Hamilton Mountain feels. Hamilton Mountain people are the kind of people who expect a great deal from parliament. They are very concerned about our present situation. They would certainly help the halt, the lame, the aged and the unfortunate, but at the same time they would make strong demand that Canadians must help themselves, work hard, and maintain the wonderful work ethic which dignifies all of us. Like myself, many of them had fathers—

● (2150)

Some hon. Members: Hear, hear!

Mr. Alexander: I hope so!

Mr. MacFarlane: —who were in the services. They grew up in the great depression era and they are not willing to see it return. They are looking to us to deal with that problem but, in doing so, to remember the halt and the lame. This is what the people of Hamilton Mountain have sent me here to say.

However, I do believe I must have some talent myself, something that I would wish to say. And this would be strong words concerning our present relationship with our youth. I would ask hon. members to look around them and realize that grandfathers and grandmothers are much closer to young people than anyone in the age bracket of 32 to 49 years. This House will never be able to consider euthanasia because of its youth.

Young people have a high regard for older people and older people have a high regard for them. They seem to have time for each other, but some of our generation had better realize that they have not had much time for youth. I am one who has spent a good portion of my life living in university residences and working with young people. I really believe they are important people. In fact they are a resource, and I believe they should be listed as a national resource. I think we should realize that whatever we spend on them comes back to us. If you really want to know what the morality of the next generation is going to be, ask them, and you will be surprised. They will tell you. It is going to be a damned fine generation.

They really take their ships and send them across the seas of life; they choose the winds of passion for their sails, and they choose the rudder of reason to steer with. If there is no passion, it becomes an academic, dying argument, so there has to be that mixture. I always used to think when I was at Mount Allison University in the maritimes, when we went out to the lily pond and saw everything quiet and soft on a windless day, "God rests in reason". Then, the wind would come to Sackville, with thunder and lightening, and we would say "God moves in passion". That is what these young people are like. A wonderful mixture. Their sails are set to the winds of passion and their rudders are governed by reason.

The future of this country will be theirs and I should like to think we should run in front of them. It is our responsibility, as my mother and father did for me, to improve the generation. We should shout over our shoulder of the bright prospect of the future, and of the dangers on the way, so that they may know what our generation has experienced, so that they may have the benefit of our improvement as well as bringing along their own thoughts and ideas.

I often think of the story of the old man who was approaching a chasm as he was nearing the end of his days. When he reached the edge of the chasm he began to build a bridge. A young man came to him and said, "Old man, why are you building a bridge? You will never come this way again." The old man replied, "That is so. I am building the bridge for you." This they expect of us. This they demand of us, and this we have failed to do many times. We have a responsibility to leave them something, as my mother left me her music, as my father left me his mathematics, as my minister left me my church. These are important things which will not be dismissed or wiped away.

There is one other theme about which I feel very strongly. Most of my life has been involved in athletics and I will never forget it. I believe that sport might just be the replacement for war and conflict in the world. I am one who believes that maybe we shall go to international trade fairs, maybe to international drama festivals and international sporting events—and it will be political, and it should be—but it will be one step for mankind in the direction of ultimately removing the resort to the resolution of conflict by killing one another.

So, sport is important. I am one of those who would like to see it given the status of a separate ministry. I believe it is important enough, for the young people who take part and the old people who watch, that it should stand on its own. I often ask: when Handel wrote The Messiah, did he write about the omnipotence of God, or did God's omnipotence show itself through The Messiah? When Van Gogh painted those olive trees, was he expressing nature or did nature express itself through him? When I coach a football team and I give them a formation, do they express themselves through the formation and therefore find a vehicle for their own expression? I feel that way about athletics, and I think it should be expressed strongly.

The next thought I have in mind arises from my having spent approximately 14 years in the maritimes. I wonder whether it would not be of consequence if someone from Hamilton Mountain, or central Ontario, were to stand up and say how important the maritimes are, and support the people of the maritimes when they are pressing for what they require.

Some hon. Members: Hear, hear!

Mr. MacFarlane: My experience of the west is not nearly as great, but I certainly do understand it when people talk about alienation, largely because of my experience in those beautiful maritime provinces.

I notice it is almost ten o'clock, Mr. Speaker, and with your permission I would prefer not to go on to my next point until we resume tomorrow.

Some hon. Members: Hear, hear!

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HOUSE OF COMMONS—SUGGESTED REFORM OF PROCEDURES—GUIDELINES ON ACCESS TO INFORMATION—REQUEST FOR PUBLIC DISCUSSION.

Mr. David MacDonald (Egmont): Mr. Speaker, some might suggest we are moving from the sublime to the commonplace, after that sparkling display of oratory on the part of the hon. member for Hamilton Mountain (Mr. MacFarlane), but there is a relationship between the excellent words of the hon. member who has just resumed his seat and what I have to say, because my topic, too, relates to the institution of parliament itself.

● (2200)

I want to be fairly specific because I have a very short period of time this evening to discuss three items which I very much hope will be before the total House and the committee on procedure when we consider in what ways we can make this institution more vital and responsible in the exercise of its duties.

Sometimes when we talk about traditions and history I think we spend too little time reflecting on the long sweep of change that has occurred in this country and that affects this institution. Hon. members will recall that in the early years of the Canadian nation the budget of this country was something like $20 million. The budget of the country today is something over $20 billion, an increase of some 1,000 times. It indicates to me that the very ability for parliament to be responsible in the exercise and expenditure of public money must of its very nature be exceedingly difficult.

This traditional responsibility of parliament to exercise the power of the purse is one of the basic responsibilities of parliament which I think is not only severely jeopardized but has almost vanished.

Within my time as a member of this place we have abolished the committee of supply, I believe in the year 1969. The committee of supply was abolished for a number of reasons—because it took a lot of time, because the debates related to estimates and expenditures often proved to be rambling, if not meaningless. I believe it was abolished even more so because there were times when the discussion of estimates in the committee of supply was not only embarrassing to the government, but occasionally could prove most difficult when supply was in fact not passed, and the government was on the verge of having to face a very difficult crisis situation where it did not have the money made available by parliament to pay its bills.

What we have in its place over the last five years are 25 allotted days and six votes. This means quite simply that under present conditions the government of the day can ride out the storm on whatever particular issue is brought before it on these allotted days. An indication of how much we have lost, in the sense of controlling the power of the purse, is the almost total disinterest of the press in those debates. We now have these 25 allotted days and we end up on some occasion, as we will later this month, with a kind of spending orgy that goes on for two or three hours; a whole rash of meaningless votes are taken, and we have the final passage of estimates.

Surely, Mr. Speaker, this is not being responsible with respect to the way in which we give an account of the expenditure of public moneys. If the power of the purse is vital to an effective working of a realistic parliament, then we will have to look very seriously at how we are going to deal with estimates in the future. I do not have any instant answers, but I do think that this is one of the questions that the committee and all members will have to face.

The second question is access to information. In the last parliament the present Secretary of State for External Affairs (Mr. MacEachen), who was then House leader, put before us the consolidation of what has become government practice with respect to the production of papers and the presenting of information. Quite frankly, I think the frustration that has developed in recent years, not only with the oral question period but with written questions and production of papers, relates to the fact that there is this growing amount of information through reports, studies and reviews of one kind and another which the government feels compelled to hide under a great umbrella of confidentiality. We did have, and we have had, a rash of leaks from time to time. Sometimes the leaks are correct; at other times they are incorrect. Again this is an indication of the fact that we have somehow reversed something that is essential to a free and democratic society.

The onus should be on the government of the day—and I do not care which government it is—to prove that a document must be kept confidential because there is some threat or jeopardy to the security of the state itself. I think we have to establish some means whereby that will become established practice, whether it be some kind of independent tribunal which, in effect, will review a decision of government not to put before the public items which it believes are confidential.

The third matter that I raised in my previous question to the Prime Minister and House leader was whether or not in our study of the reform of parliamentary procedures we could not involve a good deal of informed public opinion. There is an awful danger—and I believe all members, if they reflect on this for a moment, will agree—that when you become a member of this institution for longer than a few days—and some of us have been here a good while longer than a few days—it is very easy to rationalize and justify all the intricate and complex workings of this institution.

Of course I know there are many traditions that are worthy of keeping, and some worthy of extending, but we who are in this institution should not feel it is our institution only, or primarily. It is fundamentally an institution of the Canadian people. If they find it confusing, if they find it misdirected and wasting on occasion large amounts of time, if they want to see it sustained and perhaps, from some points of view, resuscitated and restored to an essential area of vitality, then we must have their views.

Quite frankly I think if we get early exposure through the media of radio and television this will allow for a good deal more intelligent and interesting comment. I believe that unless we allow others, beyond the members of this place, to comment on reform of parliament itself we will do a great disservice to this institution primarily, and a great disservice to the Canadian people. This is, after all, the House of the common people and a House for the people of this country, and I would urge the government to move very speedily in respect of ultimate reforms for this institution.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I want to make a very brief reply to the three points that have been raised by the hon. member for Egmont (Mr. MacDonald). The first is that in his description of supply proceedings he only provided about half the description of what actually takes place.

For example, while it is true that opposition parties do have 25 days in the House, there are at least three months in which these estimates are referred to standing committees, committees which have extensive powers to call witnesses, ministers and other people before them to discuss the items in the estimates that committee members wish to have discussed. Whether these opportunities are used is a responsibility that members of the House of Commons must take upon themselves.

One of the reasons for the extension of time, and for moving the work of the committee of supply back into committees, was to provide more opportunity and more time for the House of Commons to cope with the growing volume of legislation that governments have been putting before it.

One of the problems that we face is that the House of Commons is again in danger of being constricted. If one looks at the throne speech one will have to say that in the last two years of minority government, we have discussed in the House of Commons and passed only what was necessary for all of us to get some form of collective record about us. We all must share the responsibility. In the last year and a half of the parliament elected in 1968 the legislative process again slowed down, so we are dealing in the throne speech now with leftovers, tidbits, from the three previous parliaments.

Secondly, I want to comment on the guidelines the government produced last year. They were referred to a joint committee of the House and the Senate. To my knowledge they were never discussed by that committee. I felt that was unfortunate and unnecessary, and I have a commitment from the House leader that at an early date the guidelines will again be referred to the committee. Hopefully that committee will be sufficiently well organized to carry out a discussion, and make a report to the House and to the Senate on the situation.

The last point I want to make is about the meetings of the procedure committee. I quite agree with the point that the public should be invited to participate. I think it unfortunate that during the last two or three years that committee has held so many of its meetings on procedure in camera, a very undesirable practice that I hope will be eliminated in this parliament.

[*Translation*]

CONSUMER AFFAIRS—SUGAR—CONSULTATION WITH QUEBEC GOVERNMENT TO SETTLE DISPUTE AT SAINT-HILAIRE REFINERY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question this morning about the loss of the sugar-beet crop in the province of Quebec did not seem to alarm the Minister of Consumer and Corporate Affairs (Mr. Ouellet) since he replied that such a loss for the province did not represent 1 per cent of the Canadian sugar consumption.

Mr. Speaker, sugar is one of the main food commodities. Here are some statistics I have in that respect: In 1971 Canada has consumed 1,200,000 tons of sugar, a little more in 1972 and still more in 1973. Thus, the Saint-Hilaire crop represents 2 per cent instead of less than 1 per cent mentioned by the minister this morning.

While Canada is the second largest importer of sugar in the world, the minister finds it normal to learn about the total loss of the sugar-beet crop in the Saint-Hilaire area.

How can Canada ever export sugar if the government does not want to protect that new-born industry which could, in less than ten years, start exporting sugar instead of importing 92 per cent of its consumption?

How can we ever produce our own consumption when it is estimated that Canadian annual needs for sugar will reach 2,500,000 tons within the next 20 years, if we cannot even save a crop that represent only 2 per cent of the Canadian consumption?

Mr. Speaker, the Canadian government has left this industry to the hands of pirates here in Canada, who are members of the international sugar cartel, the seat of which is located in England and which is headed by Tate & Lyle Ltd.

Mr. Speaker, I have here an issue dated July 23, 1972 of the *London Sunday Times*, one of the most important small newspapers in Europe. It carries the following article under the heading, and I quote:

● (2210)

[*English*]

It is interesting to note that this important disclosure of the activities of an illegal cartel involving twenty-two major European sugar companies with an annual market of 600 million Pounds Sterling per annum, should have been totally ignored by every Canadian newspaper,—which resulted in keeping the Canadian public in ignorance of the fact that Tate & Lyle Ltd. was named as a leading participant in the conspiracy, through control of 'SAY' one of France's largest sugar conglomerates.

The Common Market Anti-Trust officials have pointed out, that:—

1. The refiners pay out large sums of money every year to ensure that there is a unified market.

2. That 'the refiners maintain high prices and illegal division of market, contrary to public interest'.

3. That 'this is a Text Book Case of how a cartel and a lobby operate'.

4. That 'the activities of the sugar refiners involved are the most serious restriction of competition (they) have yet met in the price fixing field'.

[*Translation*]

Mr. Speaker, these discoveries were made by an English committee commissioned on behalf of the Common Market to make an inquiry into the international sugar

trust; the conclusions of this inquiry were published in the *London Sunday Times.*

In a brief presented to the right hon. Prime Minister on February 27, 1973 by the Austin Sugar Refineries Limited of Montreal, which wanted to compete with other companies and offer the Canadian people better prices for sugar, we can read this:

[*English*]

It is a curious fact that in the face of all the representations made by the Consumers Association of Canada, the Industrial Sugar Users Association of Canada, and other public and private groups to Government,—that despite the issuance of the indepth report issued by the Tariff Board Report on Sugar, November 1971, nothing has been done to date by the Combines Department to remove this restriction of trade by Court Action or recommendations to Government concerning the introduction of a National Sugar Policy for Canada.

[*Translation*]

And, Mr. Speaker, this same company made recommendations, in their brief presented to the right hon. Prime Minister (Mr. Trudeau). Among other things, it is interesting to see what the committee of the House already recommended, which is in publication No. 146 of November 1971, on page 6:

[*English*]

The 362 page report on sugar by the Tarriff Board of Canada recommended the introduction of competition in the sugar industry, stating in part, that—

(a) The price of refined sugar in Canada does not appear to be related to domestic forces of supply and demand;

(b) That the domestic price is related to the London daily price for "Free Market Sugar";

(c) That this situation has the further characteristic that one company is the price leader and the others follow;

(d) Because of a lack of competition, the Canadian industry has been able to increase its capacity without raising production;

(e) The structure and behavior of the industry allow the preservation of existing market shares without substantial risk and without the beneficial spur of competitive factors usually prevailing in ordinary markets.

[*Translation*]

Well, Mr. Speaker, we could continue on and on this discussion to establish that there certainly exists an international sugar monopoly which completely controls from England the South African and Rhodesian sugar markets and which has been granted by our country's special tariff concessions.

Canada could be a sugar exporting country. We have surpluses of maple syrup. Our soil is clearly favourable to the easy growing of sugar-beet. Moreover, we have surplus apples every year. Mr. Speaker, the price of sugar was 1 cent a pound a few years ago and its price has now reached $50 a hundredweight. Yet, the government is doing nothing, as it is under the thumb of international companies and monopolies.

[*English*]

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

[*Translation*]

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I must apologize to my colleague if my notes tonight are written in English only. I am afraid I do not speak French as well as my colleague speaks English, and I congratulate him for this.

[Mr. Rondeau.]

[*English*]

The hon. member has wandered somewhat far afield from his original question today about the situation as it existed at St. Hilaire, the refinery in Quebec. In response to the hon. member let me point out first of all that the federal government deplores the existence of the conflict in that place in Quebec, but I think I should reiterate what the minister said this morning, namely, that this is a refinery that is owned and operated by the Quebec government. The conflict at St. Hilaire is a labour problem over which the province of Quebec has complete jurisdiction, and I might say that provinces, appropriately enough, jealously guard their jurisdiction under the BNA Act.

The hon. member states that he is concerned about the effect of this conflict on the Canadian consumer, and that is appropriate enough. I think, however, that it should be put into perspective and noted that there is no shortage of sugar for Canadian consumers. The conflict at the refinery does not affect the price of sugar to Canadian consumers, nor the volume of sugar consumed in Canada, which would otherwise involve the federal government on a Canada-wide economic scale. However, the government appreciates that there does exist a problem for the farmers of the region who are trying to sell their produce.

The hon. member referred to the sugar beet industry. Being myself from southwestern Ontario I can assure him that I have sympathy for those producers knowing the plight faced by them. It is to be hoped that the Quebec government will be able to resolve this dispute at an early date.

FINANCE—ALLEGED DENIAL OF LOANS BY CHARTERED BANKS UNDER SMALL BUSINESS AND FARM IMPROVEMENT LOANS ACTS

Mr. John Wise (Elgin): Mr. Speaker, it is a pleasure for me to participate in the adjournment debate, and I want to say how pleased I am to see my colleague, the honourable member from southwestern Ontario, in his place to respond. I want to congratulate the hon. member for Sarnia-Lambton (Mr. Cullen) on his appointment as Parliamentary Secretary to the Minister of Finance, and to tell him that I wish him well.

On October 8 I directed a question to the Minister of Finance (Mr. Turner) with respect to certain chartered banks in this country denying loans under the Small Businesses Loans Act and the Farm Improvement Loans Act. This is a very unfortunate situation and it is one that warrants immediate and effective attention from the Minister of Finance and the government. I well recall the concern with respect to this matter expressed by many of my colleagues on this side of the House in the Official Opposition during the debate on Bill C-14 last spring. The main thrust or purpose of Bill C-14 was to raise the ceiling on the amount of 8¼ per cent money that chartered banks can loan to these two important, but seldom recognized, segments of our economy. When one observes the past statistics, one continues to wonder, however, just how useful these programs really are.

● (2220)

Referring to the 1972 bank report, we note that under the Small Businesses Loans Act less than 2,900 loans were granted in all of Canada. One major chartered bank granted a sparse 134 loans.

It is not unusual or difficult for many honourable members to cite examples from constituents which clearly indicate that banks are less than interested in these two government programs, and indeed a similar scheme, the Fisheries Improvement Act, could be included as receiving this same type of cold shoulder reception.

Chartered banks often react in general terms with responses like, "We've never heard of the program before", or "It's not our policy to loan money under these programs" or "Our allotment of funds for such purposes has been fully allocated".

With attitudes and responses like these, Mr. Speaker, I suggest to the Minister of Finance that these programs cannot be fully utilized, so the amendments in Bill C-14 become actually useless.

I suggest that, because of this situation, the Minister of Finance should make either strong and effective representation to the banks to correct this matter, or provisions ought to be introduced and incorporated into Bill C-14 to assure that banks and lending institutions be required to make available sums of money to their clients under these programs.

Another real problem is the lack of information regarding the number of applications and inquiries made to banks, and the number refused. I would be willing to expect and admit that some were rejected for good reason, but this information should be available if we are to develop fully the kinds of programs and policies that best meet the needs and financial requirements of these industries.

Let us remember, Mr. Speaker, that these segments of our society form the backbone of our economy. They provide strength and stability to our Canadian commerce. They create over half of our Gross National Product and employ over half of the working people of Canada. They are entitled to better treatment than they have received and are receiving.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, I should like to express my thanks to the hon. member for Elgin (Mr. Wise) for his kind comments on my appointment as Parliamentary Secretary to the Minister of Finance. I should also like to compliment him for bringing this matter up in the House, and not being satisfied the answer, again bringing it up on what has been called "the late show." I think the matter warrants airing and public scrutiny.

The Farm Improvement Loans Act and Small Businesses Loans Act have been in effect for many years, and I am sure that members are reasonably familiar with them. They will recall that last spring the acts were amended following a full review by the government in order to expand their scope and increase their effectiveness and usefulness to borrowers.

These acts have played a useful role in meeting the credit requirements of a large number of Canadians. The Farm Improvement Loans Act has been particularly important as a source of intermediate credit to farmers. Up to the end of June this year, loans extended under FILA totalled over $3 billion, so I think that contradicts what my hon. friend has said. In fact it has been found useful. Such loans reached a record of $230 million in 1973.

Since inception of the Small Businesses Loans program over $300 million was lent to June, 1974. This is another indicator that it is being used. Lending under this program has been rising sharply in recent years, and was over $30 million in 1973.

In the first six months of this year lending under these programs declined. I think that is what my hon. friend is endeavouring to highlight. This may well have been due to a reluctance by lenders to participate in the programs because of a growing differential between the rates they were permitted to charge at that time and commercial rates of interest. In this respect, hon. members may be aware that the permissible rates are determined twice a year, on April 1 and October 1, on the basis of a formula contained in regulations. The formula rate is the average yield on government of Canada bonds during the six months preceding the rate change, plus 1 per cent.

It will be noted that, due to the averaging period, the formula rate will lag behind current commercial rates when the latter are changing rapidly. This lag became significant in the first part of 1974 when the bank prime rate moved from 9½ per cent in January to 11½ per cent in July. During this period the rate for the vast majority of these guaranteed loans, all except those for the purchase of land under the Farm Improvement Loans Act, was 8¼ per cent until March, and dropped to 8 per cent on April 1. Thus the formula rate became increasingly out of line with rates charged by lenders on regular loans, and by July the negative differential had become quite significant.

The Acting Speaker (Mr. Penner): Order, please. The motion to adjourn this House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10:28 p.m.

HOUSE OF COMMONS

Friday, October 11, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

FOOD PRICES

SUGGESTED MAINTENANCE OF MILK SUBSIDY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I move under the provisions of Standing Order 43 a motion concerning a matter of urgent and pressing necessity, seconded by the hon. member for New Westminster (Mr. Leggatt). In view of the fact that the provincial premiers have opposed the government's proposed removal of the subsidy on milk, in view of the opposition by the Food Prices Review Board to the removal of the subsidy, in view of the criticism levelled against the cabinet by the former Minister of Consumer and Corporate Affairs with regard to the removal of the subsidy, and in view of the consequences to the consumer as a result of a five cent to six cent increase per quart of milk should the subsidy be removed, I move under the provisions of Standing Order 43:

That this House instruct the government to maintain its present subsidy on milk.

Mr. Speaker: Order, please. The House has heard the motion. Being proposed pursuant to Standing Order 43 it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be presented.

* * *

CANADIAN BROADCASTING CORPORATION

SUGGESTED DIRECTION TO BROADCAST CANADIAN FOOTBALL GAMES RATHER THAN BASEBALL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to Standing Order 43 I, too, rise on a matter of urgent and pressing necessity. Whereas the Canadian Broadcasting Corporation has interrupted the originally scheduled football game in the Canadian Football League to bring Canadians a United States baseball game tomorrow—

Some hon. Members: Shame.

Mr. Jelinek: —an action inconsistent with the official government policy of fostering Canadian football—

Some hon. Members: Hear, hear!

Mr. Jelinek: —I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That the Secretary of State be instructed to take all necessary steps to remedy this situation and make these important CFL games leading to the Grey Cup available to the Canadian public.

Mr. Speaker: Order, please. The House has heard the motion. Being proposed pursuant to Standing Order 43, it cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

* * *

ENERGY

POSSIBLE REFERENCE TO COMMITTEE OF SUPPLY AND EXPORT OF OIL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that Interprovincial Pipeline Limited has expressed reluctance to proceeding with the proposed Montreal oil pipeline because of a projected shortfall in crude oil supplies from western Canada, in view of the fact that recent reports have suggested that the fund for compensation to importers of petroleum and petroleum products may go into deficit early in the new year, and in view of the fact that the oil industry and the National Energy Board have recently expressed concern about the availability of sufficient supplies of oil to meet Canada's future requirement, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the issue of availability of crude oil, and the advisability of continuing both imports and exports of crude oil and products at their present levels, be referred to the Standing Committee on National Resources and Public Works for immediate consideration.

Mr. Speaker: Order, please. The House has heard the motion. Being proposed pursuant to Standing Order 43 it cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

* * *

● (1110)

[*Translation*]

FINANCIAL ADMINISTRATION

SPECIAL TERMS OF REFERENCE ISSUED AFTER MAY 9, 1974 UNDER SECTION 23 OF THE ACT

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, with your permission, I should like to table in the House of Commons a report on the special warrants issued under section 23 of the Financial Administration Act after Parliament was dissolved on May 9, 1974.

* * *

[*English*]

ENERGY

REQUEST FOR COMMITTEE INVESTIGATION INTO SALE AND OPERATION OF NUCLEAR REACTORS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I, too, rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the leakage problem which has occurred at the Pickering CANDU nuclear reactor, and in view of the projected sale of this reactor to Argentina and South Korea, neither of which has signed the nuclear non-proliferation treaty, I would move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

That this House instruct the Minister of Energy, Mines and Resources and the Minister of Industry, Trade and Commerce to stop the sale of all Canadian nuclear reactors until a committee of this House has had the opportunity of having a full inquiry into the risk of further proliferation of nuclear weapons through the sale of this reactor abroad and a proper determination is made of the environmental hazard through the use of this reactor at home.

Mr. Speaker: The House has heard the motion. It being proposed pursuant to Standing Order 43 it cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent it cannot be debated at this time.

[Mr. Speaker.]

[*Translation*]

LIEUTENANT GOVERNORS SUPERANNUATION ACT

MEASURE TO PROVIDE SUPERANNUATION BENEFITS TO LIEUTENANT GOVERNORS

Hon. Jean Chrétien (President of the Treasury Board) moved for leave to introduce Bill C-23, to provide for the payment of superannuation benefits to Lieutenant Governors.

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

* * *

[*English*]

SALARIES ACT

AMENDMENT TO INCREASE SALARIES OF LIEUTENANT GOVERNORS

Hon. Mitchell Sharp (President of the Privy Council) moved for leave to introduce Bill C-24, to amend the Salaries Act.

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

* * *

[*Translation*]

ENVIRONMENTAL CONTAMINANTS ACT

MEASURE TO PROTECT HUMAN HEALTH AND THE ENVIRONMENT FROM CONTAMINANTS

Hon. Jeanne Sauvé (Minister of the Environment) moved for leave to introduce Bill C-25, to protect human health and the environment from substances that contaminate the environment.

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

ORAL QUESTION PERIOD

[*English*]

FINANCE

GOVERNMENT POLICY WITH REGARD TO THE MONEY SUPPLY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. Dr. Raynauld, the Chairman of the Economic Council of Canada, has stated:

In the last three months monetary policy has been reduced by 12 per cent at annual rates—

Dr. Raynauld was referring to M1 figures. Does the minister agree with Dr. Raynauld that this policy is "extremely restrictive"?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I should like to read the whole transcript, but

this is, of course, a matter of judgment. If the implication of the hon. member's question is that it has been too restrictive, he ought to reconcile his view with that of his colleague, the hon. member for Don Valley.

Mr. Stevens: In answering my supplementary question I should like the minister to bear in mind that when the 12 per cent reduction, referred to by Dr. Raynauld, is linked to today's inflation of over 10 per cent you have a 22 per cent brake on the economy compared to the Economic Council of Canada's recommended monetary increase stance of 10 per cent to 15 per cent per year. Would the minister indicate whether in fact it is government policy to have a more restrictive money supply increase in Canada.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the monetary supply set by the Governor of the Bank of Canada and approved by the government is to allow expansion in the money supply sufficient to meet the expansion in the economy but no more. As a result the money supply has been expanding at somewhat less than the total expansion in nominal terms of the economy.

Mr. Speaker: The hon. member for York-Simcoe on a supplementary.

Mr. Stevens: Mr. Speaker, my question is again addressed to the same minister. I am wondering whether the minister could explain to the House why in the four months previous to May the money system was allowed to increase by $900 million while in the four months subsequent to May there has been a contraction of $500 million. In short, is the House right in assuming that the election played an important part in the minister's direction of the money system in this country?

Mr. Turner (Ottawa-Carleton): No, sir.

Mr. Speaker: A final supplementary by the hon. member for Prince Edward-Hastings.

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THE CANADIAN ECONOMY

REDUCTION OF INFLATION BY INCREASING PRODUCTION—GOVERNMENT ACTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary for the Minister of Finance. As the minister has often said in this House that the only effective way to reduce inflation is increased production would he take the first opportunity on motions to outline what specific methods he intends to introduce in the very near future to materially increase production in view of the zero real growth in the second quarter and the fact that the index of industrial production has been falling sharply.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the hon. gentleman is already aware both in the agricultural and industrial field what the government policies have been. He was speaking particularly of industrial production. As a result of the manufacturing and processing tax reduction and the capital cost allowances, the investment intentions of business have been revised upward again even for the year 1974 from 19 per cent to 25 per cent. Despite the slackening economies in most of the industrial countries of the world we still anticipate growth, and have had for the first six months of 1974, real growth of 4.8 per cent over the same period last year.

Mr. Speaker: A final supplementary by the hon. member for Prince Edward-Hastings.

Mr. Hees: Mr. Speaker, as zero growth is zero growth no matter what way you slice it, would the minister consider stopping the excusing, promising and puffering and instead start to do some of the things he assured the country in his last three budgets that he would do.

* * *

FOOD PRICES

MILK—REQUEST FOR RETENTION OF SUBSIDY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Since in the throne speech the government said it intended to take certain steps to ease the burden of inflation on those most seriously affected, given the news today that the price of milk in the province of Ontario is about to go up six cents a quart and given the recent urging by the Chairman of the Food Prices Review Board, the former minister of Consumer and Corporate Affairs, plus a number of provincial premiers that the federal government maintain or re-introduce the five cent subsidy per quart of milk, would the Prime Minister inform the House whether or not the cabinet is reconsidering its decision on this important matter?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

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AGRICULTURE

MILK—GOVERNMENT ACTION TO REDUCE PRICE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary for the Minister of Agriculture. Could the minister inform the House if his department is taking any steps now or intends to take such steps in the early future which would have the effect of bringing down the price of milk, the high price of which adversely affects particularly low income families?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member is aware that where we have jurisdiction in respect of industrial milk production we have increased the subsidy on milk powder 4 cents a pound over what it was before. I am sure the hon. member is also aware that even with the agreement we had for the 5 cents a quart consumer subsidy in one instance a province raised the price of milk at least six times within the time of contract.

● (1120)

MILK—CONSULTATIONS WITH PROVINCES TO ENSURE SUPPLY AT REASONABLE PRICES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is for the Minister of Agriculture. In the absence of complete jurisdiction in this area, will the minister, in the interest of ensuring that the milk supply will go to low income Canadians and children, immediately meet with his provincial counterparts to come up with emergency measures to continue the subsidy and ensure that the price of milk does not in fact rise to a level which would make it prohibitive to most Canadians?

Hon. E. F. Whelan (Minister of Agriculture): There is nothing to stop the provinces, if they so desire, from subsidizing fluid milk to the consumers of the nation if they want to work out a plan. But I would point out that when we put on the 5 cents a quart milk subsidy, the food index was rising nearly twice as fast as anything else. At present it is rising only half as fast as the cost of living index. The food index has decreased instead of increased. That should be made pretty clear. Also, the Minister of National Health and Welfare is the one who has the responsibility of working with those people in the provinces. Some provinces have said that they want to see this matter handled by the social services. We must make sure that we know what every province wants.

Mr. McGrath: Mr. Speaker, my final supplementary question is directed to the Minister of National Health and Welfare. Is the minister prepared to enter into immediate discussions with his provincial counterparts to ensure that milk will be available to low income Canadians, especially the children of people on fixed incomes?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my colleague will certainly agree that what really matters is to ensure to small earners sufficient income to meet all their requirements, and not only buy milk.

In this connection, the government as a whole and the Prime Minister in particular have suggested that the provinces adjust their social assistance payments so that needy people may have enough money to meet their needs. This is the very policy which the government has always advocated. We have put large sums of money at the provinces' disposal for their public assistance programs. We have distributed some ourselves through our own welfare programs.

* * *

MANPOWER

MODIFICATION TO REGULATIONS TO ENCOURAGE MOBILITY

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is for the Minister of Manpower and Immigration.

Does the minister intend to amend the manpower mobility regulations to make them more easily applicable so that people moving to a distant locality to take up a job can receive the benefits available before April 1974?

[Mr. Whelan.]

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the whole manpower policy area is constantly under review. The AOIA is under review, and if and when we make any fundamental changes in the policy or programs, we will announce it in this House.

* * *

EXTERNAL AFFAIRS

REFERENCE OF CONFINEMENT OF VALENTYN MOROZ BY RUSSIANS TO UNITED NATIONS—POSSIBILITY OF EXAMINATION BY CANADIAN PHYSICIAN

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It has to do with the cruelties being perpetrated on Valentyn Moroz and hundreds of thousands of others in the Soviet Union, actions that are a denial of the principles in the United Nations charter. Will the government of Canada bring this question before the United Nations by way of a resolution in order that not only Canadians and Americans but people in all parts of the world will realize that the conduct of the Soviet Union toward the Ukrainian people and the Baltic peoples is totally inconsistent with the principles of the United Nations?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the comments made by the right hon. gentleman have served, in a sense, the purpose which he had intended in connection with Mr. Moroz. As my hon. friend realizes, or may realize, just recently Mr. Moroz's case was brought before the Soviet foreign minister with a view to determining under what conditions Mr. Moroz lived because of reports that he had been on a hunger strike and his health was precarious. In that particular case, the foreign minister assured us that Mr. Moroz was in normal health and at that time was not on a hunger strike but in a normal condition. With respect to the other aspects of the right hon. gentleman's question which have very broad implications, I should like to have an opportunity to consider them.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. I realized of course that the foreign minister of the U.S.S.R. said that Moroz was receiving decent treatment and was in good health whereas Andrei Sakharov, the famed Russian scientist, says that such is not the case and that Moroz is in complete isolation. If what the foreign minister said concerning Moroz is true, then there is no reason why this government should not ask the Soviets to permit a visit to Moroz by a Canadian physician or by a representative of the Canadian Ukranian Committee to ascertain his physical condition and the circumstances now surrounding his tyrannical incarceration. Would the minister, with the same suavity that he has always used in this House with such effect, bring this matter to the attention of the foreign minister of the U.S.S.R.? If they have nothing to hide, why hide it?

Mr. MacEachen: Mr. Speaker, I cannot give my hon. friend any assurance that I will take the course of action which he, a bit irresponsibly, proposes.

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PUBLISHING

"SATURDAY NIGHT"—REQUEST FOR GOVERNMENT SUPPORT TO CONTINUE PUBLICATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Secretary of State who has received an open letter with regard to *Saturday Night* signed by a large number of very distinguished Canadians asking him to assure the continued life of the magazine. I should like to ask the minister what response he is making to them.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will be meeting with Mr. Cowan either this week or next.

Mr. Stanfield: A supplementary, Mr. Speaker. Recognizing that the government is somewhat divided with regard to policy toward Canadian periodicals and their support, I should like to ask the Secretary of State if he can assure the House that he will take the necessary steps to keep *Saturday Night* alive at least until the government has made a decision with regard to its policy toward support of Canadian periodicals?

Mr. Faulkner: Mr. Speaker, on the first point, there is no division that I am aware of among members of the government. On the substance of the question regarding *Saturday Night*, I would remind the hon. member that last year in response to a request from the principals of *Saturday Night* and in conjunction with the government of Ontario, this government provided a grant of $100,000. That grant was in response to a project they had to increase their list of subscribers. My argument was that we could not, as a government, get into the refinancing of it but I recognize this is an important magazine that had what appeared to us and to the Ontario government a viable plan for increasing its list of subscribers and to that end we made a contribution. That was less than a year ago and they are back again with an even more attractive package in terms of grants for essentially the same purpose. I ask the hon. member, how long does the federal government stay in this sort of operation?

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INDUSTRY

ANACONDA ELECTRONICS—GOVERNMENT ACTION TO ENSURE COMPANY REMAINS IN CANADA OR REFUNDS ADVANCES

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question for the Minister of Industry, Trade and Commerce is regarding the Anaconda Corporation of New York which has closed its operation in the mining industry in British Columbia. In view of the fact that Anaconda Electronics is concerned that the parent corporation is going to withdraw that company from Canada, can the minister advise the House what action his department has taken to make sure that the electronics firm remains in Canada and keeps those 120 people employed?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, my department has been in touch with the officers of the parent corporation in the United States to determine what the situation is in respect of this plant near Vancouver. We have been told that the firm is considering the rationalization of some of its activities because of poor performance, but it has not yet taken any decision. The company has further stated that before it takes such decision to phase out, it will consult with us. I am hopeful that we will find ways to maintain this particular operation in Vancouver.

• (1130)

Mr. Reynolds: Mr. Speaker, may I direct a supplementary question to the minister. As the company is making all its profits in Canada, and as the government assisted this corporation with funds provided earlier to develop the product with which it is making profits, will the minister make sure that if the company pulls out of Canada it will refund these funds to the Canadian people and pay the deferred taxes it owes the Canadian people?

Mr. Gillespie: Mr. Speaker, this question is under consideration at present but I can give the hon. member no such assurances.

* * *

AGRICULTURE

PROPOSED RESTRICTIONS BY UNITED STATES ON AGRICULTURAL PRODUCT—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Agriculture. It relates to the announcement made yesterday by the American authorities that they intend to impose restrictions on beef and other products being exported to the United States. Has the minister obtained more specific information on the American moves and does he intend to modify our own position on the export of cattle, beef and other products to the United States?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have received a copy of the material published in the United States and it does not show much more than we already knew. It is not specific about products. Our officials and interdépartmental committees are meeting at present to decide what procedure we should adopt, whether we should make representations at the hearing, how this should be done, and that type of thing. We have had preliminary work done on this but at present we do not intend to change our position.

Oral Questions

TRADE

PROPOSED RESTRICTIONS BY UNITED STATES ON IMPORTS—POSSIBLE VIOLATION OF GATT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce. Has he considered the American moves, to determine whether there might be a violation of GATT provisions? Also, has he been able to ascertain whether the American moves are restricted to those products mentioned or will they be extended to include not only the food industry but other industries in this country as well?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I did not hear the first part of the hon. member's question which referred to GATT. Perhaps he might clarify his question.

Mr. Nystrom: Mr. Speaker, my question was about the American announcement of yesterday regarding the restriction on the importation of Canadian beef. Has the minister checked this announcement, to see whether it violates the GATT agreement, and also to see if these restrictions may proliferate to areas other than those already announced by the Americans.

Mr. Gillespie: Mr. Speaker, as to the first point, GATT was set up to provide an international forum for the discussion and settlement of disputes. We are not yet sure that the United States will take action. As the Secretary of State for External Affairs said yesterday, hearings have yet to take place in the United States on the beef question. On the second part of the question dealing with other products, I frankly do not think it is relevant in the circumstances.

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GRAIN

GOVERNMENT PROPOSALS TO IMPROVE HANDLING SYSTEM—DATE OF IMPLEMENTATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board and arises out of references in the Speech from the Throne to grain handling. Can he tell the House specifically what steps the government intends to take to improve grain handling this coming winter?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, any specific steps to be taken will be announced in due course.

Mr. Mazankowski: A supplementary question, Mr. Speaker. When the minister makes his announcement, will he assure the House, the country and, particularly, farmers of western Canada that the Crowsnest freight rates will not be tampered with? At the same time, will he clarify statements made by some ministers of the Crown about attempts to nationalize the grain handling industry, which is a presposterous proposal?

[Mr. Whelan.]

Mr. Lang: Mr. Speaker, we shall face many difficult questions during the coming winter. They are of a long term nature and have to do with the branch line system and improvements in grain handling. These will involve many different decisions. As these things are done there will be an opportunity to discuss them, as there will be for statements made on motions which will detail the various aspects of what we intend to do.

Mr. Mazankowski: Mr. Speaker, may I ask a supplementary question. Will measures be introduced in conformity with the commitment made in the Speech from the Throne which says specifically that steps will be taken to facilitate grain handling this winter? I ask this because snow will soon be falling.

Mr. Lang: Mr. Speaker, some measures contemplated will involve legislation, but that does not apply to all steps that will be taken this winter; some will require specific action rather than legislation.

* * *

LABOUR CONDITIONS

ESTABLISHMENT OF COMMISSION TO INQUIRE INTO MOVEMENT AND HANDLING OF GRAIN—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a supplementary question to the Minister of Labour. Now that Bill C-12 is history, it is necessary to move with despatch on the establishment of an industrial inquiry commission on the movement and handling of grain. Can the minister say what he has done to date about this very good idea?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. Contrary to the impression the hon. member conveyed in his speech to this House, the Labour Code authorizes me to appoint an industrial commissioner and set the terms of reference. This has been done. Within the next day or two I will name the commissioner, so that we can get this matter under way.

Mr. Speaker: Order, please. Yesterday the hon. member for Egmont put a question to the Minister of National Defence. I have been advised that the minister, as he said he would, wishes to answer.

* * *

NATIONAL DEFENCE

ALLEGED INSTRUCTIONS TO PERSONNEL NOT TO WRITE TO MEMBERS OF PARLIAMENT—GOVERNMENT ACTION

Hon. James Richardson (Minister of National Defence): Mr. Speaker, yesterday I agreed to reply to a question which was directed to me by the hon. member for Egmont concerning a letter written by the Chief of Defence Staff, General Dextraze, to the Canadian forces. I have now had an opportunity to talk with the Chief of Defence Staff and wish to assure the House—

Mr. Nowlan: The minister's statement should be made on motions.

Mr. Richardson: I wish to assure the House—

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker; really, I think the minister is not answering the question so much as making a statement on motions. That being the case, I think the hon. member for Egmont should have the right to respond. I wonder if the House would agree to reverting to motions?

Some hon. Members: No.

Mr. Speaker: Perhaps we could better observe technicalities if the hon. member for Egmont were recognized for the question he asked yesterday. I will be glad to recognize him.

Mr. David MacDonald (Egmont): Mr. Speaker, I will be delighted to yield the floor to the Minister of National Defence. In view of the unusual circumstances surrounding this matter, I think there should be sufficient opportunity for a reply to his answer.

Mr. Richardson: Mr. Speaker, in reply, I have had an opportunity to talk fully with the Chief of Defence Staff. I assure the House that he did not intend, and I am using the words of the hon. member for Egmont, to violate the rights or privileges of members of parliament.

Mr. Diefenbaker: No, but that is exactly what he did.

Mr. Richardson: In the letter which has been referred to, General Dextraze pointed out that within the Canadian armed forces there is a well established grievance procedure. The purpose of his letter was to emphasize that this grievance procedure is fair and he was urging the armed forces to make use of it. Further, I believe that General Dextraze is right in having—

An hon. Member: Oh!

Mr. Richardson: Wait—he is right in having confidence in the grievance procedure of the Canadian armed forces.

Mr. Nowlan: Has he ever used it? Ho, ho, ho!

Mr. Richardson: Mr. Speaker, I also wish to confirm in unqualified terms that any member of the armed forces is able to write to a member of parliament on any subject with exactly the same freedom as any other citizen of Canada.

• (1140)

Some hon. Members: Hear, hear!

Mr. Hees: As long as it does not come to the notice of the military.

Some hon. Members: Oh!

Mr. MacDonald (Egmont): I think the minister has stated clearly in his answer that there has been, unfortunately, conveyed to the armed forces a certain form of improper suggestion.

Some hon. Members: Oh!

Mr. MacDonald (Egmont): The minister has said the Chief of the Defence Staff did not intend to convey this impression, but regardless of that, the effect is that a certain aspect of the privileges of the members of this House have been violated. I am sorry the minister did not see fit to table the document because I think it would be useful for hon. members to see the totality of what was communicated. I would ask the minister, because of the seriousness of this matter and the extent of the circulation of the document to circulate, to the same extent, the assurance given in the latter part of his answer so as to make clear to the 80,000 people in our armed forces that they have the same rights as are enjoyed by all other citizens.

Some hon. Members: Hear, hear!

Mr. Richardson: I have stated my policy and the policy of the department in unequivocal terms.

Mr. Diefenbaker: But not the General's policy.

Mr. Richardson: If there continues to be any misunderstanding or misinterpretation of the letter, I am certain that General Dextraze himself will wish to clarify that misunderstanding.

Mr. MacDonald (Egmont): Since there is, ultimately, civilian control over the Armed Forces, I think it is important that this be circulated—

Some hon. Members: Order.

Mr. Speaker: The question has been rather fully gone into. Would the hon. member be good enough to get to his question?

Mr. MacDonald (Egmont): I simply want to obtain a clear answer from the minister to the effect that he will communicate with the armed forces directly in the same way as thousands of these documents have been circulated during the month of September.

Mr. Richardson: Mr. Speaker, I do not know of any better way of communicating with the armed forces and with the Canadian public than by speaking in this House.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): I am not clear whether the minister is assuring us that 80,000 copies of *Hansard* will be sent to members of the Armed Forces—

An hon. Member: That would be cruelty.

Mr. MacDonald (Egmont): —or whether, since the members of the Armed Forces are communicated with directly through their publications, the minister would be prepared to have the Chief of the Defence Staff appear before the appropriate standing committee—

Some hon. Members: Oh!

Mr. MacDonald (Egmont): —so that this could be clarified once and for all.

Some hon. Members: Hear, hear!

Mr. Richardson: I hardly expect you will want me to continue this discussion, Mr. Speaker. I have already said the Chief of the Defence Staff will personally wish to clarify any misunderstanding in his letter, and he communicates regularly with the Armed Forces.

Mr. McGrath: On a point of order, Mr. Speaker. It is an accepted practice of the House that when a minister refers to a public document, he has to table it. The document to which the minister referred is clearly a public document in that it is a letter from the Chief of the Defence Staff. I believe that under Standing Order 41(2) the minister is obliged to lay it on the table of the House so that all members can judge for themselves.

Mr. Richardson: I am very proud of the personal messages which the Chief of the Defence Staff sends out and it would be helpful if all members of the House could read what he says. I would be pleased to table this one, and earlier messages as well, and hope this will create a better understanding of the dedicated service provided to Canada by the Canadian armed forces.

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker—

Some hon. Members: Oh!

Mr. Speaker: I rather felt I had extended to the hon. member a good deal of latitude in order that this subject might be explored.

Mr. MacDonald (Egmont): I am grateful for Your Honour's generosity, but I do think it would help clarify the situation for the men of the armed forces—and this is our principal concern—if the minister would give us an assurance—

Some hon. Members: Speech!

Mr. MacDonald (Egmont): —that we would follow up by sending out a communication which would clarify this particular message.

An hon. Member: Sit down.

Mr. Speaker: I cannot see how a request to the minister for further assurances, over and above the request already made, could be classified as anything except further questioning on the subject. I have come to the conclusion that the subject has been fully aired. The minister has been pressed for an assurance and has given some kind of assurance in response.

Mr. McGrath: To return to the point of order, Mr. Speaker. The minister offered to table the document after I rose on a point of order to suggest he had an obligation to do so. I think it is now incumbent on the Chair to ask whether there is unanimous consent to revert to motions so that the minister can, in fact, table this document.

Mr. Speaker: I know of no interpretation of the rules which would require, or even suggest, that this be done forthwith. The hon. member raised the question whether or not the minister is compelled to table the document. I am not sure of the validity of the point. In any case, the minister relieved the Chair of the obligation of deciding it by indicating he is willing to table the document. That, it seems to me, is where the matter rests.

* * *

EXTERNAL AFFAIRS

PROPOSED ADVANCE TO SAIGON BY INTERNATIONAL DEVELOPMENT AGENCY—CANADIAN POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to address my question to the Secretary of State for External Affairs. Last Tuesday I put a question to the minister about a meeting of the World Bank and associated organizations to be held in Paris on October 17 at which a proposal for an advance of $50 million to the regime in South Viet Nam is to be discussed. The minister told the House he hoped to answer the question the following day. I now ask him whether he will do so, and, in particular, will he state whether Canada is to subscribe $5 million to this proposed loan?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I regret I did not answer the hon. member earlier, even though I did glean the information shortly after I had been asked the question. It is true that the International Bank for Reconstruction and the Asian Development Bank have jointly invited officials from a number of countries, including Canada, to a meeting in Paris on October 17 to discuss aid to Indo China. While Canada has agreed to attend this meeting, we are not aware of the specific proposal to which my hon. friend refers. We have no information that such a proposal will be forthcoming.

● (1150)

Mr. Brewin: A supplementary question, Mr. Speaker. Will the minister, or perhaps the Minister of Finance who I think is interested in these matters, report to this House the result of this meeting so we may know what attitude Canada has taken to this proposal?

Mr. MacEachen: Mr. Speaker, when proposals are made we will determine our attitude in light of the nature of the proposals, and will be happy to advise the House what has transpired.

* * *

NATIONAL ANTHEM

REQUEST FOR TRANSLATION IN BOTH OFFICIAL LANGUAGES

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I should like to direct my question to the Secretary of State. Does the minister have available an English translation of the French version, and a French translation of the English version, of the proposed anthem as set out in the schedule to Bill C-11, an act respecting the national anthem? If so, and in any event, will the minister forward copies of same to each member of this House, and if there are any differences in the meaning and wording of the proposed national anthem or national anthems, would the minister please

point out each difference and explain the reason or reasons for each such difference?

[*Translation*]

Hon. Marc Lalonde (Acting Secretary of State): Mr. Speaker, the Secretary of State had to meet some of his provincial counterparts who were waiting for him; I will bring the hon. member's question to his attention so he may answer it next week.

* * *

[*English*]

IMMIGRATION

CHILEAN REFUGEES—POSSIBLE INCREASE IN MEMBERS—REQUEST FOR STATEMENT ON ANY CHANGE IN POLICY

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. I understand that this week the minister met with a group with respect to the possible immigration of some 10,000 Chilean refugees. In view of the present changes that are taking place within the immigration department making immigration restrictions more stringent, I should like to ask the minister whether he could clarify statements attributed to him that these 10,000 Chilean refugees will in fact be coming to Canada, and would he inform the House what effect this will have on the immigration of any other groups to Canada?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I met with a delegation, in company with my colleague the Secretary of State for External Affairs, I believe on Wednesday morning. We were then presented with a rather detailed brief which I had not had the opportunity of reading before meeting with them. Under those circumstances we were inhibited from giving any detailed responses, and I made only the commitment that in the absense of that opportunity of knowing what their recommendations were we would analyse the brief in the light of current circumstances and information and reply to them. In that sense, I said I would consider their brief.

Mr. Epp: A supplementary question, Mr. Speaker. Could the minister give assurances that before any major change in policy respecting Chilean refugees is made, policies outlined in this House by the minister in a statement on motions last Spring, the minister will first relay in the form of a motion to the House any change that might be contemplated or will take place?

Mr. Andras: Mr. Speaker, I would, of course, wish to keep the House informed. The fact of the matter is that we still maintain and will continue to maintain immigration facilities in Santiago. Our people there will still listen compassionately to applications from Chilean refugees or oppressed minorities or normal individual applications from immigrants. This will be a continuing program, although quite frankly the volume of applications has certainly diminished very markedly in the last several months. In addition to that, we have noted that while approximately 1,400 to 1,500 visas under the special program were authorized, fully enabling Chilean refugees or oppressed minorities to come to Canada, roughly half of them have chosen not to exercise their rights under those visas.

* * *

PUBLIC SERVICE

REQUEST FOR ELIMINATION OF REGIONAL WAGE DISPARITIES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the head of the Treasury Board, and while asking it I want to congratulate him sincerely on assuming this important portfolio. Does the minister intend to implement the policies advocated by many of us on this side of the House, and in the last election campaign by all candidates for the Liberals from the Atlantic region, and work toward phasing out regional wage disparities for those people employed in the public service?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, policies in this field are negotiated with the unions and often the latter's demands vary according to their problems. We have had the firemen and the airport strikes. The airport employees did not want to abide by a national policy and in Vancouver they were asking for special conditions because of the particular situation there. So we are negotiating with each union. As to regional rates, it does not necessarily follow that under certain circumstances it is not a good policy.

* * *

[*Translation*]

POST OFFICE

MAIL DELIVERY—SUGGESTED INCREASE IN CONTRACT PAYMENTS

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I wish to direct a question to the Postmaster General.

According to the Post Office Act, the minister can raise mail delivery contract payments, provided these contracts have been in effect for two years. As this increase helps compensate higher operation costs and since these costs have been abnormally high in recent years, does the minister consider introducing a bill during this session so that Parliament can give him the authority to raise contract payments after a period of one year instead of two?

[*English*]

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the hon. gentleman has stated that contracts can be readjusted after a period of two years. This is firmly stated in the legislation. Apart from that, what he suggests would require new legislation, which is not contemplated. However, there may be other ways in which we can take into consideration the effect of inflation on this particular group of contractors.

Oral Questions

INDUSTRY

UNITED AIRCRAFT—SUGGESTED GUARANTEE OF REPATRIATION OF WORK TRANSFERRED TO UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce concerning the United Aircraft Corporation in the Montreal area. Would the minister inform the House as to the discussions that have been reported to have taken place between his officials and that corporation concerning obtaining a guarantee from that company that it will place in Canada the amount of work to which it is committed by virtue of getting some $70 million worth of assistance from the federal government? I refer to replacing in Canada work that has been transferred to the United States in recent months.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I and my officials have met with senior officials of UACL and the United States parent corporation to determine and to clarify the long-term plans of the firm respecting both the repatriation of work that has been transferred from the Longueuil plant to East Hartford and the expansion plans of the Canadian company in Canada. I hope to have more to say on this point by next week.

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ENERGY

PROPOSED PIPELINE TO ATLANTIC PROVINCES—POSSIBLE DATE OF IMPLEMENTATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Energy, Mines and Resources. In light of the promise in print made by all Liberal candidates in Atlantic Canada prior to the July 8 election that the government would develop an across Canada oil pipeline extending beyond Montreal to the Atlantic provinces, when can we anticipate a statement from the minister indicating a start on this project, or at least a study of this important matter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have had an analysis made of the possibilities of extending some deep water port facilities in eastern Canada to serve a pipeline into Montreal. At the moment there has been no further progress in this matter, but it does remain one of active interest. I think that what is clear is that in the long run it still remains desirable to bring imported oil ashore through a Canadian superport, with the pipeline running through our own territory.

SUGGESTED NEED FOR EQUAL TREATMENT BY GOVERNMENT IN THE DEVELOPMENT OF OIL SANDS AND ARCTIC OIL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I put a supplementary question to the minister. My immediate interpretation of what he has just said and what he said yesterday seems to be the same. I take it that the minister's aim and policy is to make Canada totally self-sufficient in respect of crude petroleum, and I am not talking about natural gas, and that the government now seems to favour building a pipeline to bring down proven Arctic reserves rather than given the same kind of encouragement and incentive in respect of the oil sands development. Is that a correct statement?

[Mr. Mackasey.]

• (1200)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we are in fact not giving an incentive in the terms the hon. gentleman uses. However, we have indicated to the governments of Alberta and Saskatchewan that substantial federal funds would be available to assist in oil sands development, not so much in the current stages of the process, but to develop a secondary level of technology. I would have to say that if there were a successful scientific breakthrough with regard to harnessing the oil sands at less cost both environmentally and in dollar and cent terms this would be very much in the interest of Canada, and the federal offer in respect of an active program in this area remains outstanding.

Mr. Woolliams: Mr. Speaker, may I just follow that up. In view of the fact that about $1 billion, mainly from Alberta's own resources, is going toward the bonusing of consumers in the eastern part of Canada, does the minister not now consider it is so important to become self-sufficient in respect of Canadian petroleum that both projects should receive the same encouragement, incentive and motivation from this policy? In other words, in view of the high cost of producing oil from the oil sands will some concession be made taxwise in respect of that project, giving it an equal opportunity to that provided Arctic oil development, the equity of one being owned by the federal government and the equity of the other by provincial governments?

Mr. Macdonald (Rosedale): Mr. Speaker, the constraint with regard to the oil sands is not in location but in respect of the difficulty of harnessing the project. At the same time I do not underrate the difficulty of bringing frontier oil to market. In terms of fiscal incentives, that would have to be a decision of the government as enunciated by my colleague, the Minister of Finance. The basic policy of the government is, while not setting the national oil price at a high international level, to set it at a level high enough to encourage further development. We are confident that at the current level there is ample encouragement for the industry to be encouraged both in the oil sands and in the frontier oil for that purpose.

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AIR CANADA

OVERHAUL AND REPAIR BASE AT WINNIPEG—DATE OF START ON CONSTRUCTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on May 23 of this year the Prime Minister made a special trip to Winnipeg where, at a press conference, he announced that Air Canada would be establishing an overhaul and maintenance base there, and that a $15 million dollar hangar would be built. This work was to start

immediately. Could he explain the reason for the delay, and indicate when Air Canada will be starting work on this project?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this project will be carried forward. I will discuss this with the Minister of Transport to find out the date of the first sod turning, and I will inform the House.

Mr. McKenzie: Mr. Speaker, I would like to ask the Prime Minister whether he has a firm commitment from Air Canada that it will start that project in the near future?

Mr. Trudeau: Mr. Speaker, this policy was arrived at after discussion with all parties concerned, including Air Canada.

* * *

POST OFFICE

DATE OF COMMENCEMENT OF CONTRACT NEGOTIATIONS— PARITY OF WAGES OF CODERS AND SORTERS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, following the decertification of the Council of Postal Unions, will the Postmaster General assure the House that new contract negotiations will not be unduly delayed inasmuch as an acceptable contract is essential to the restoration of a sagging morale among postal employees and the beginning of the long road back to the former efficiency of the department?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I would not be honest if I were to assure the hon. gentleman that I know when bargaining will take place. In the first place, under the law I am not the employer. The employer is the President of the Treasury Board. The Public Service Act stands in the name of the President of the Privy Council. I am just the administrator of the Post Office under the Public Service Act. I can only hope that the matter will resolve itself soon. In the interval, I am sure the present collective agreement will continue until eventually a new one is arrived at.

Mr. Dinsdale: Mr. Speaker, now that the Postmaster General has publicly accepted the principle that men are more important than machines, and I congratulate him in this regard as this is a principle that has long been advocated by opposition spokesmen, will he now add action to those words by speaking to his seat mate, the President of the Treasury Board, asking him to bring into parity immediately the wages of coders and sorters, as this is one the great issues in respect of mechanization?

Mr. Mackasey: Mr. Speaker, I am very pleased to be able to say that the President of the Treasury Board is known within the caucus, and I know from personal experience, as a humanitarian who shares my view about people. Having said that, the question of parity as between sorters using the new equipment and hand sorting is a matter presently being discussed at regular weekly meetings under the aegis of a representative of the Public Service Staff Relations Board, and I think we have succeeded in

narrowing the monetary gap which was quite prevalent some weeks ago. I am hopeful that when the new round of collective bargaining begins that disparity will disappear.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker I rise on a question of privilege. In a news release of yesterday it was suggested that I refused to speak to reporters following the question period, but that is not true. I did speak to them afterwards.

bSome hon. Members: Oh, oh!

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SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Thursday, October 10, consideration of the motion of Mr. Louis Duclos for an address to His Excellency the Administrator of the Government of Canada in reply to his speech at the opening of the session.

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, last evening I had referred to the influence which several hon. members had upon my coming to the House of Commons. Since arriving here I have found that quite a few hon. members whom I did not know before have been helping new members and influencing them to some degree. I look forward to committee meetings when I shall have the opportunity of taking part in discussions with the hon. member for Winnipeg North Centre (Mr. Knowles). I am sure I speak for all new members when I say that we appreciate the help that hon. member has given us in respect of House procedures. His assistance will be of great help to me in the future.

I should also like to thank the hon. member for Edmonton Centre (Mr. Paproski), who I am sure will add to the spirit of fellowship in this House. Let me also refer to the hon. member for Mercier (Mr. Boulanger), chairman of the veterans affairs committee. When thinking of him I am reminded that in the east, if you want a newborn child to be a very famous singer you kiss it full on the lips at birth. If you want the child to grow up to be a very famous dancer, you kiss it on the toes. I do not know where the hon. gentleman was kissed when he was born, but he makes a wonderful chairman.

I have alluded to the interest that the constituency of Hamilton Mountain has had in youth and the development of sports. The people of my constituency are also interested in the desire by women to be the masters of their own destiny. In this regard, I should like to say something about the status of women bills which will come before the House. Perhaps, rather than trying to express my feelings in my own words, I should use those of a poet who spoke of the beauty of women. He was suggesting that in this regard it might be worth while if we listened to what women have to say. Let me read this poem as follows:

—Speak to us of Beauty.
And he answered:
Where shall you seek beauty, and how shall you find her unless she herself be your way and your guide?
And how shall you speak of her except she be the weaver of your

speech?

● (1210)

The aggrieved and the injured say,
'Beauty is kind and gentle.
Like a young mother half-shy of her own glory she walks among us.'
And the passionate say, 'Nay, beauty is a thing of might and dread.
Like the tempest she shakes the earth beneath us and the sky above us'.

The tired and the weary say, 'Beauty if of soft whisperings. She speaks in our spirit.
Her voice yields to our silences like a faint light that quivers in fear of the shadow'.
But the restless say, 'We have heard her shouting among the mountains,
And with her cries came the sound of hoofs, and the beating of wings and the roaring of lions'.

At night the watchmen of the city say, 'Beauty shall rise with the dawn from the east.'
And at noontide the toilers and the wayfarers say,
'We have seen her leaning over the earth from the windows of the sunset.'

In winter say the snow-bound, 'She shall come with the spring leaping upon the hills.'
And in the summer heat the reapers say, 'We have seen her dancing with the autumn leaves, and we saw a drift of snow in her hair.'

All these things you have said of beauty,
Yet in truth you spoke not of her but of needs unsatisfied,
And beauty is not a need but an ecstasy.
It is not a mouth thirsting nor an empty hand stretched forth,
But rather a heart enflamed and a soul enchanted.
It is not the image you would see nor the song you would hear,
But rather an image you see though you close your eyes and a song you hear though you shut your ears.
It is not the sap within the furrowed bark, nor a wing attached to a claw,
But rather a garden for ever in bloom and a flock of angels for ever in flight.

. . . beauty is life when life unveils her holy face.
But you are life and you are the veil.
Beauty is eternity gazing at itself in a mirror.
But you are eternity and you are the mirror.

So if indeed we would go in quest of assisting women in search of their own destiny, we must view them through themselves and be certain that they themselves present what they require of life and what they desire of this life. I know my constituents would want me to say that. I should like to say that in Hamilton Mountain and on Hamilton Mountain where Hamilton is the suburb of Hamilton Mountain, we have something unique to bring you. We have people who love their youth; we have people who love their life; we have people who love Canada. Indeed, we could easily fit into that bracket which says that lives of great men all remind us that we, too, can make our lives sublime in passing and leave footprints in the sands of time. Hamilton Mountain will be heard from. Hamilton Mountain people will indeed say something for the west, for the maritimes, for Newfoundland, for Quebec and, indeed, for Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we have all listened with great interest to the speech of the new member for Hamilton Mountain (Mr. MacFarlane), part of which he made just now and the remainder of which he made just now. Perhaps I might depart from the usual niceties with which members commence speeches in this debate and say, instead, that as a member who has been around here for a while, I am happy to welcome the new member for Hamilton Mountain and all the new members who have joined us in this thirtieth parliament.

[Mr. MacFarlane.]

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I trust that among us, despite the differences of opinion that we have, we will do a good job for the people of Canada. I liked, in particular, the statement the hon. member for Hamilton Mountain made last evening to the effect that there is more understanding between young people and old people than is the case between those in the middle age group and those either younger or older. The hon. member drew an interesting couple of limits: he classified all those below 32 as young, and all those over 49 as old. Well, I am over 49!

Mr. Turner (Ottawa-Carleton): Say it isn't so.

Mr. Knowles (Winnipeg North Centre): My friend, the Minister of Finance (Mr. Turner), belongs to that in between group that does not understand younger or older people. I shall return to him in a moment. The statement of the hon. member who has just resumed his seat is borne out by a recent Gallup poll on my favourite subject, that of pensions.

In this poll, those approached were asked what they thought should be done for old age pensioners, and in particular whether their pensions should be increased. Those who voted for the highest possible increase were in the younger group, below age 29. As a matter of fact, 40 per cent of those between 18 and 29 who were asked what the monthly pension should be for persons now retired said that it should be $400 or more. That makes me a piker, Mr. Speaker, as one who has tried to get the basic old age security pension raised to $200 a month.

Nevertheless, I am happy to endorse the sentiment expressed last night by my friend across the way, and may I add to the figure I have just given the interesting result in that poll, which is that only 5 per cent of those questioned in all ages were satisfied to leave the basic old age pension and the guaranteed income supplement where they are, and that 95 per cent of the people questioned on this subject felt there should be an increase in old age pensions. In contrast with that, some of our distinguished colleagues who are in the middle age group, like the Minister of Finance, tell us we should not be complacent about the economic conditions we face at the present time. Yet, when it comes to old age pensions we get day after day from members on the government side a sense of satisfaction and complacency over the fact that pensions are now being escalated by an amount based on the rise in the cost of living.

It was a good move when pensions were indexed so that they increase as the cost of living goes up. The plain fact of the matter, however, is that even on a quarterly basis escalation is always seven or eight months behind. It is also a fact that it is based on the whole broad range of goods and services looked at by Statistics Canada and does not deal specifically with the things old age pensioners

must buy. The result is that the $2 or $3 increase which has been coming in every three months leaves the pensioner behind still more every three months than was the case a quarter earlier.

I say, therefore, that this is no time for complacency on the part of middle-aged persons like the Minister of Finance. This is no time for the Minister of National Health and Welfare (Mr. Lalonde) to tell us about the quarterly escalations which are taking place. Rather, it is a time for increasing the basic old age pension. Although I feel like a piker in light of what the younger people want for the old age pensioner, at least I am realistic. I say that in this session the basic old age pension should be increased to not less than $200 a month, and that any supplement should be on top of that amount.

● (1220)

May I say at the same time that in this session of parliament we should lower the pensionable age to 60 for all those who are out of, or never were in the labour market. Some Liberal member is surely going to say to me, "Are you not aware of the bill that is coming in to pay pensions to spouses between the age of 60 and 65 when the other spouse is already in receipt of the pension?" Every time this proposal has been made, I have made the comment that I will make now, that doing it this way is terribly discriminatory.

I suspect that just about every member of this House is receiving letters from spinsters and widows, as well as from bachelors and widowers, who are between 60 and 65, asking, "What about us?" The minute you are prepared to take care of the spouse who is in that bracket, you raise these other problems. I suggest that the Prime Minister (Mr. Trudeau) was right when in the course of the election campaign he said that this would have to be a temporary measure because it would raise the very problems that I have identified, and there is also the unfairness of the proposed means test. I urge, therefore, the Minister of National Health and Welfare, instead of bringing in the bill that has been proposed in the Speech from the Throne to bring in a bill to lower the pensionable age to 60 for all those persons who are out of the labour market.

At the same time, I would suggest that this is what should be done with respect to the Canada Pension Plan. I welcome—and I am sure most, if not all, members do—the introduction of Bill C-22 which will make a number of improvements to the Canada Pension Plan. One important improvement is to remove the employment test for those who are drawing benefits under that plan and are between the ages of 65 and 69. The bill does some other things as well, such as establishing a measure of equality between men and women—equality at death, at any rate—and it raises the year's maximum pensionable earnings so that a few years from now pensions payable under the Canada Pension Plan will be substantially higher than they are at present.

These moves are all in the right direction, although I do think there is still room for a very thorough study of the relationship between the Old Age Security Act and the Canada Pension Plan. I think the CPP was a good move to get us out of those low pension rates that we had in the 1950s and early 1960s, but I think the day should come when we have universal old age security across the board in an amount even greater than is now possible by means of a combination of these two plans. But on the assumption that we have a few years to go before we can replace old age security and the CPP by massive old age security arrangements, one step that should be taken right now is to lower the pensionable age under the CPP to 60, as I have suggested already, for all those persons not in the labour market. By doing this with respect to the old age security and the CPP, we would take care of spouses, widows, spinsters, widowers and bachelors in the age 60 to 65 bracket; we would encourage persons of those ages, who by getting both old age security and CPP could consider retirement, to leave the labour market and thus open up more jobs for younger people.

These are the major things that in my view should be done in this session with respect to the Old Age Security Act and the Canada Pension Plan, namely, raising the basic pension to $200 a month and lowering the eligible age to 60 under both old age security and CPP.

I have referred already to the inadequacy of the escalation formula which applies to old age security. For example, in October old age security and the guaranteed income supplement will be increased by a few dollars, but it is based on the extent to which the cost of living in May went up over the cost of living in February. We are eight months behind. In October, pensioners will get the extra money which they needed in May. In May they starved because they did not have it. So now they are still further behind. I think that two things should be done with respect to escalation. In this age of computers you can work out anything you want. Escalation should be related to needs in the current quarter, not to those of five or six months ago. The other thing that is still necessary—and some very important groups have recommended this—is that there should be a special cost of living index for senior citizens, based on what they actually have to buy, not on the whole range of goods and services and luxuries that are in the consumer price index.

So I urge that one of the pieces of unfinished business that we must deal with is putting escalation on the kind of basis that will meet the needs of our retired people. I would go further, but I suppose I might have to wait a session or two for this, and argue that escalation should be based on something even better than the cost of living. It should be based on the gross national product, the wage index, or any of those indices, provided it relates to the standard of living. What our older people are entitled to is not just enough money to continue to live at the same level as when they retired, but the right to share in the rising standard of living in this country which they made possible through their working years.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): In any review of pensions, which I hope will be given during this session and the remaining sessions of this parliament, I urge that a further look be taken at the situation of the blind and the disabled. We still have on our federal statute books the Blind Persons Act and the Disabled Persons Act under which allowances are payable to persons who come under these pieces of legislation. They are payable by the prov-

inces and Ottawa pays a percentage of the total cost, but the maximum amount specified in those two pieces of legislation is still $75 a month.

Back in the old days that level used to go up every time old age security went up, but with the bringing in of the Canada Assistance Plan, with all its virtues, something has been lost. Perhaps there is another way to provide income security for the blind and the disabled than under our present pieces of legislation, but I insist that this legislation be reviewed, particularly in respect of these two groups of people, the blind and the disabled. I do not know why in the 1970s we still impose upon them a means test. We hear much in this House about compassion and sympathy. A couple of ministers today vied with each other as to who is most sympathetic. What sort of compassion or sympathy are we expressing when we are saying to people who are blind or disabled, "You get a pension only if you meet the qualification of being totally disabled, totally unable to look after yourself, or totally blind", and on top of that apply a means test?

I will move on to another area about which members who have been around here for a while have heard me speak quite often, that is, the position of retired public servants. I also want to mention in particular retired Royal Canadian Mounted Police personnel and retired personnel of the Canadian armed forces. These three groups have different pension plans but they are fairly similar. A few years ago we passed another piece of legislation which provided for the escalation of the pensions of all these groups. Again, it was good to get escalation but, again, it is always behind.

● (1230)

These pensioners, of course, do not get their escalation quarterly; they get it only annually. So when they get it they are not just six or eight months behind but 16 to 18 months behind. In one year they get the extra money they needed to keep up to the extra cost of living for the previous year. I feel that the whole escalation formula needs to be reviewed and revised.

I also feel that the basic way in which public service and other pensions are computed needs to be looked at again. Far too many public servants, some of quite senior level, are seeing people retire today on pensions greater than the salaries they had when they themselves were in the job. Public servants who thought they had given their working lives to the people of Canada through the federal government, and therefore would enjoy a decent and dignified retirement, are facing real difficulty.

I welcomed with a feeling of deep appreciation, almost emotion, the announcement made by the former president of the treasury board when he brought in the proposal for the escalation of the pensions of these groups of people as well as others. It was a tremendous accomplishment to get away from the idea of fixed incomes for pensioners. But, Mr. Speaker, present conditions require a review of this whole subject and I urge that there be such a review by the government in this session.

While I am talking about the pensions of retired public servants, retired RCMP and Canadian armed forces personnel, I should like to make a particular pitch regarding the pensions of the widows of these persons. This point

[Mr. Knowles (Winnipeg North Centre).]

applies to widows' pensions generally, including railway pensions, private pensions, and so on. I still do not know how there ever got started the idea that it was all right if a man and wife worked together and, if there was a pension earned by the one who was out working, if the husband died the pension was cut to 50 per cent for the widow, whereas if the wife died the pension stayed at 100 per cent for the widower. We have had that idea around for so long that it is taken to be a benefaction for the widow to get a 50 per cent pension.

I suggest that for the public service, the RCMP, the Canadian armed forces and private pensions generally, the idea should be accepted that if a pension has been earned and contributed to in cold hard dollars and earned by the work of the person involved, it should continue at its full rate to whichever spouse survives. This principle is expressed in resolutions presented by many organizations asking that pensions now at 50 per cent for widows be raised to 60 per cent or 75 per cent. Of course, in this kind of situation we accept compromise as a move in the right direction. I contend, however, that the day should come when a widow's pension should be the same as the pension of the widower if the wife dies first.

That leads me to the question of railway workers' pensions, Mr. Speaker. I was pleased that the Minister of Labour (Mr. Munro)—interestingly enough, during the election campaign—appointed Dr. Noel Hall as commissioner to study the whole question of railway pensions, both Canadian National Railways and Canadian Pacific Railway. I was also glad to get his answer the other day that a report was expected in three or four months. I hope it will be the good report that I am sure it will have to be.

I do not understand how anyone could study the pension plans of the Canadian National and Canadian Pacific without realizing the tremendous need for improvement. These pensions need to be put on the basis of at least 2 per cent for each year of service, no matter when the employee retired. Widows' pensions need to be made 75 per cent or 100 per cent. These pension plans must contain better provisions for early retirement, and there needs to be a review of the relationship between railway pensions and the Canada Pension Plan. If all of this is going to cost money, I suggest that the people who have worked on our railroads for the people of Canada are owned an obligation by the federal government to see that real improvements are made in their pensions. I will come back to this matter later in this session, Mr. Speaker, and my colleagues will be joining in discussing it. I urge that just as soon as we get the report from Dr. Hall, real action be taken in this area.

I have moved in my remarks, Mr. Speaker, from my reference to the RCMP and the Canadian armed forces, but there is one other point I wanted to make so I shall return to it. One of the elements of discrimination that pensioners in these two groups feel is very unfair concerns the time at which escalation commences. The escalation of public service pensions takes place at age 60, and therefore the law still says that retired RCMP and retired armed forces personnel who may be retired, under the rules of the service, at age 48, 50 or 55 have to wait until age 60 before escalation commences, except under special circumstances that affect only a few cases. The government

knows how strongly these people feel about this matter. The former president of the treasury board had to deal with them constantly. I hope that the new President of Treasury Board (Mr. Chrétien) has the compassion and sympathy that the Postmaster General (Mr. Mackasey) attributed to him this morning. I see my friend, the Minister of Public Works (Mr. Drury), the former president of Treasury Board, smiling at me. I suppose he is telling me that he has lots of compassion now, too. I wish he had exercised it when he was in a position to do so.

I have already said, Mr. Speaker, that I welcome the introduction of Bill C-22 which will make amendments to the Canada Pension Plan. I want now to say that I welcome, too, the introduction of Bill C-4 which proposes to make amendments to the War Veterans Allowance Act. I hope that, despite the improvement we made during the previous parliament and the one before that affecting our veterans, we will make further improvements in this parliament.

The amendments to the War Veterans Allowance Act are good as far as they go, that is, establishing equity between male and female veterans, or the formula for escalation being attached to the ceiling rather than the allowance, but the number of dollars put in the pockets right away of those on war veterans allowance is not very much. I was interested to read the press release issued by the Minister of Veterans Affairs (Mr. MacDonald) a few days ago, particularly the announcement of what the amount would be in October, 1974, compared with what it was in October, 1973. It sounds pretty good when it is put that way, but in the meantime there have been adjustments in 1974, so that the difference between what these veterans are now getting and what they will get under the new bill is not very much. There is a lot of room for improvement in what we are doing for our veterans. We will get at this matter in the Standing Committee on Veterans Affairs, where we always work together and do a good job.

There is one point I should like to press, Mr. Speaker. It seems to me the time comes in the life of a veteran, whether it be age 55 or 60, but certainly not much later than that, when there should no longer be a necessity for all the examinations required by the Canadian Pension Commission, or all the means testing done by the War Veterans Allowance Board. There should be a straight guaranteed annual income, and it should be better than old age security. In my view, it should start at age 55 or 60, but surely at some point we can say to our veterans that they have served this country and it is no longer necessary for them to go through all the medical examinations that are now required. We should certainly be able to say to them that it is no longer necessary to face the indignity of means testing or the indignity of being under the provisions of an income ceiling. We have tremendous room for improvement here and I urge that improvements for our veterans be made in this session of parliament.

I now want to say a word about government annuities. I confess that in earlier years it was a bit difficult to press the point about annuities because we realized they were contracts, and if one were to change the basis of a contract respecting a government annuity, one would open up a series of problems. However, any reluctance we had on that point has gone completely because the Minister of Finance has changed the basis with respect to Canada savings bonds. What is a Canada savings bond but a contract under which you agree to lend your money and in return receive a certain amount of interest? Yet the Minister of Finance has come along—and we all approve—and said to the holders of Canada savings bonds, "If you hold these bonds to maturity, you will get not only the amount of interest for which you contracted but an additional amount as well."

● (1240)

If that can be done with respect to Canada savings bonds, I suggest it can be done with respect to government annuities. So I contend that just as most other forms of retirement income are being escalated, income paid from government annuities ought to be escalated. I have heard a number of members make that point. Someone asked a question about this the other day, and the Minister of Finance said he would send the member a letter. It is the same letter he has sent to many of us, and it does not satisfy us at all. If the contract can be superseded in the case of Canada savings bonds, I suggest the same action should be taken with government annuities. I see the clock racing faster than it usually does, Mr. Speaker. It always goes faster when one is on his own feet.

I want to refer briefly to a subject I raised yesterday with the Minister of Finance, that of private pension plans. I have put a lengthy question on the order paper which asks for all possible information about private pension plans. I think that these must become the subject of a major study by parliament and the government. There are too many cases of persons finding that the money they have put into private pensions is not there to pay pensions when the time comes to retire. Too many of these plans are in jeopardy. There should be greater protection. Even the good plans, the ones that deliver the amount of pension contracted for originally, in most cases do not provide for escalation. I think federal legislation should be passed to provide that a pension plan is not a proper pension plan unless it provides for escalation, after retirement, of the amount a person is to receive.

In my question yesterday to the Minister of Finance, although I referred generally to private pension plans, I referred particularly to the chartered banks. I suppose the largest number of letters that I have received which say, "Please do not use my name, but . . ." are on this subject, on the inadequacy of bank pensions. I have received letters from retired bank managers who tell me what the banks fail to do with respect to their pension plans, and I urge the Minister of Finance to demand action on this matter.

I see you getting out of your chair, Mr. Speaker, so I shall sit down in a moment. I plead for something to be done in the whole area of pensions. Indeed, I plead that in this parliament we examine the whole field, the important aspects of which I referred to this morning, and really try to put our older people into the position they so fully deserve.

I thank the hon. member for Hamilton Mountain again for telling us the truth, that young people understand old people. I welcome the endorsation of that fact contained in

the Gallup poll to which I referred at the opening of my remarks. I believe we will be meeting the wishes of the Canadian people if we take the steps I have suggested to improve the lot of our senior Canadians.

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, may I begin by congratulating you, as the Speaker of this distinguished chamber, upon your appointment. It speaks highly of you, sir, when we consider that after only six short years of being first elected to this House, you have reached this high position, obviously as a result of your sense of duty, integrity and knowledge of legal and parliamentary affairs and also, as you have shown in your first few days as Speaker of this House, because of your total dedication to fair play.

Personally, I am again honoured that the constituents of my riding, High Park-Humber Valley, saw fit to charge me with the responsibility of continuing to represent them in this House. I pledge to them now that I shall continue to work on their behalf, to the best of my ability. As we enter this new session of parliament, I cannot help recalling my thoughts on a similar day two years ago when the previous session of parliament began. Then, Mr. Speaker, as a new member I was impressed with the government's Speech from the Throne. I thought that the words of wisdom which were thrust upon us were great promises, and we were full of expectation. Those promises were soon to become only meaningless words. I cannot help regarding the government's pledges to this parliament in the same light.

It makes one wonder why the Prime Minister (Mr. Trudeau), heading a government which has been in power for 11 years, should suddenly decide that now is the time to start moving forward. That is what he so regally stated in his opening address to parliament. One cannot help wondering what direction his government has been taking in the last 11 years, if only now he intends to begin moving ahead.

An hon. Member: The government only moves in circles.

Mr. Jelinek: It only moves in circles; I agree wholeheartedly. Let us consider, despite what the Prime Minister considers to be areas of national concern, those areas which failed to receive due consideration from this government which is now in full control of the legislative process. High on the list of priorities is the government's pledge to "wrestle inflation into the ground". Those are the government's own words. The reality, of course, is that not only has inflation not been arrested but it has galloped ahead, straining every sector of our economy and placing undue hardship upon each and every Canadian.

Food costs alone have risen at an unprecedented rate, and many on fixed incomes and the old age pension find it almost impossible to lead a life of self-respect and personal dignity. Is it any wonder that pensioners and, indeed, all Canadians gaze in disbelief at a government which has permitted over 25 million eggs to rot, despite national and world food shortages. Despite this, the Minister of Agriculture (Mr. Whelan) proclaims himself to be more popular than ever. The minister must have been held in low esteem if he now believes his popularity is high.

[Mr. Knowles (Winnipeg North Centre).]

Certainly, the issues of inflation, food costs in particular and the state of our economy as a whole must be given highest priority. It is hardly necessary for me to expound on a subject of which apparently every Canadian, with the exception of the Liberal administration, is aware. The President of the United States felt it incumbent upon him, on assuming office, to call a high-level conference almost immediately with industry and labour. All this country received after the Prime Minister obtained a majority was an immediate three-month stalemate of the parliamentary process. Allow me, Mr. Speaker, to quote part of a *Globe and Mail* editorial from the edition of the day before yesterday, which I find most appropriate:

> Yesterday—93 days after his third election as leader of the Canadian government—Prime Minister Pierre Trudeau with his colleagues in the House of Commons was busily engaged in the processing of a bill which would provide the moon and sixpence for west coast grain handlers.
>
> Yesterday—61 days after the tragedy of Watergate catapulted him to the presidency—Gerald Ford was before the United States Congress setting out the steps he intends to take to fight inflation which could 'destroy us as surely as any war'.

I find those comments appropriate to our times. Perhaps the Liberal government expected the inflationary situation simply to go away on its own. Perhaps it was embarrassed to face the situation and admit it had no answers and, obviously, no plans. Meaningless generalities and page upon page of non-specifics, as illustrated by the Speech from the Throne—will never be sufficient to deal effectively with the complex areas of concern facing this country today.

● (1250)

Where is there any concrete evidence that the government is ready and willing to "wrestle inflation to the gound"? Where is there any indication that a tough, but just and uniform immigration policy will be established? Where are the proposed changes to the Unemployment Insurance Act, long promised by the government and certainly long overdue in our country? Can we afford to ignore situations such as arose in Toronto during the last postal strike, when approximately 48,000 unemployment insurance cheques were not even picked up and subsequent investigation disqualified some 25,000 of the claims? Is it any wonder that almost every Canadian is demanding a full inquiry into the operation of the Unemployment Insurance Act? In my own constituency, for example, 99 per cent of those replying to a questionnaire favoured such a full investigation. And still there is no action by the government.

During the last wildcat postal strike and the Ministry of Transport firefighters' strike, millions of dollars were lost and thousands of Canadians suffered directly because the government has failed to deal with the illegalities associated with such strikes. The former President of the Treasury Board, the hon. member for Westmount (Mr. Drury), in answer to questions I raised in this House last May stated that a government policy regarding illegal strikes in essential services would be forthcoming and that continuation of such strikes would not be tolerated. Has the government changed its mind in this regard as well, and is such illegal and unlawful action expected to continue unchallenged?

Mr. Speaker, I feel it is necessary once again to bring to the attention of this House the dismal financial circumstances which now surround the 1976 Montreal Olympics. Not only have initial costs risen far above the forecasts, but net proceeds from coin sales are falling far short of the expected $250 million. Results have been particularly disappointing in the United States, where large sales of coins were anticipated. As of April 1, with the main portion of the first of seven in the series completed, the net return, less reserve but including stamps, has been a meagre $2.5 million.

Even the most optimistic sales projections based on proceeds thus far envisage a deficit of at least $200 million, notwithstanding the success of the lottery program. Now is the time to face reality and accept the fact that a large deficit will be incurred by COJO, the city of Montreal and the province of Quebec. It is not good enough simply to expect the Canadian people to support the spirit of the Olympics and share the financial responsibility, as they will ultimately do. We find the Montreal city council authorizing the construction of Olympic facilities with moneys obtained from federally-authorized programs such as the sale of coins and stamps, and doing so without offering contracts for public tender. The time is long overdue for the federal government to take an active role in supervising the over-all financial administration of the Olympics, particularly as such matters relate to the Olympics financing legislation passed by this House. As a nation which has committed itself to the Olympics in Montreal, we cannot now wash our hands of the whole affair as the Prime Minister seems to be doing.

The air of secrecy which has surrounded the entire Olympics program from its inception, including the arrangements for the letting of the television contracts and the closed bidding on other contracts, must be dispelled, and the indifferent attitude of the Prime Minister must be changed so that Canadians may be able to lend their complete support to the 1976 Olympics. Only then will they see clearly the many benefits which will accrue not only to our youth but to our entire country.

There are many other areas which should be looked at, Mr. Speaker—areas which have long been contentious as far as Canadians are concerned. For example, the issue of abortion continues to divide hospital boards and interfere with patient-doctor relationships. It has sparked demonstrations both in favour and against, and has inspired mass advertising by those on either side of the argument. Yet the government is still afraid to clarify the issue by bringing it before the House for open discussion.

As a matter of record, Mr. Speaker, on November 5, 1973, I introduced in this House a motion which read as follows:

> In view of representations made to most members of the House over the past few days, not only in person but also by thousands of telegrams and letters, urging the House to examine the abortion laws now in existence in this country, and in view of the fact that this is a matter dealing with life itself, I move:
>
> That the government be instructed to form forthwith a committee comprised of members of this House to thoroughly investigate this entire area affording such organizations as the Alliance for Life and others, in fact all segments of our society, the opportunity to express their views in a matter involving the very lives of thousands of unborn children.

The Liberals felt at that time that this motion should not go forward, and it was defeated. I believe they did not wish it to go further because they felt it would be too embarrassing or too risky, too controversial, in a period prior to a possible federal election. An election did indeed follow. However, the party opposite now has an over-all majority and they know they will be here four or five years. The time has come to look into this serious question by means of a committee such as I have proposed. I urge all hon. members to look forward to the setting up of the committee in order to give a chance of participation to millions of Canadians who are interested in this matter.

Mr. Speaker, I see it is one o'clock. Perhaps I can continue after lunch.

[*Translation*]

Mr. Deputy Speaker: It being one o'clock, I do now leave the Chair until 2 p.m.

At one o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

Mr. Jelinek: Mr. Speaker, prior to one o'clock I had the opportunity of touching on numerous subjects, such as unemployment insurance, illegal strikes in essential services, as usual I touched on the Olympics, and I finished off by saying that the government obviously became afraid to raise the abortion issue. Naturally, I also discussed the inflation problem of which the whole country except, it seems, this government is totally aware.

I would continue on that line by saying that there were other areas touched on so lightly and superficially in the Speech from the Throne as hardly to constitute serious consideration. Can anyone really find a determined effort to curtail the excessive government spending which has grown out of all proportion under this Liberal administration? It is true that vague references and veiled promises have been made, but these are hardly sufficient to initiate cutbacks in spending by provincial and municipal governments, as this government is now preaching. Nowhere was there any specific reference to federal government cutbacks in spending or hiring programs, and I am wondering whether this government does not believe in the principle of example but relies on the "do as I say, not do as I do" principle.

I should like to quote a few statements made by Mr. J. Wilson, president of the Ontario Chamber of Commerce, who spoke at a dinner last night. These statements are contained in today's Ottawa *Journal*. He said:

> The record of government spending, stacked up against spending in any other sector of the economy, leaves no argument against the contention that government is one of the major contributors, if not the major contributor, to the current inflation problem.

We all know that, Mr. Speaker.

> The civil service was increasing "at wartime rates" but without a national crisis to account for the attitude of the public to this growth—

It is doubtful whether citizens seeking more government services are really consciously aware that they are thereby demanding high taxation.

At present there are over 443,000 federal government employees. There are some 1.4 million people employed at all levels of government, and in fact one out of every seven Canadian workers is employed by some level of government. There has been no levelling off at the federal level, as promised by the Prime Minister some time ago. I suppose we are getting used to his promises that are never kept. Excessive government spending and empire building are the major causes of internal inflation, as we have said, and this situation can no longer be tolerated.

These are some of the things that one would have expected the Prime Minister to deal with in his initial address to this thirtieth parliament. But what did we hear? What subjects did the Prime Minister dwell on at length and consider so crucial? What does the Prime Minister always talk about when he wishes to shroud his administration's inability to cope with the real issues? Bilingualism, of course. And there is nothing wrong with bilingualism. But my God, surely with the serious problems facing Canada today, the fact that the Prime Minister considers bilingualism the most critical issue is completely beyond comprehension. But then, what better way to avoid the real issues facing this country than to create and talk about false ones?

I wonder whether any member of this House except the Prime Minister, or anyone in Canada believes that bilingualism rates more priority at this time for more government action than inflation or unemployment? Has bilingualism driven up the cost of food? Has bilingualism affected production in this country? Has bilingualism created unemployment? Or, indeed, has bilingualism affected our critical housing situation? On the one hand, we have a Prime Minister espousing the virtues of bilingualism for Canada. On the other hand, we have a Prime Minister who is reluctant to protect the rights of the English minority in Quebec by reversing that province's controversial, if not unconstitutional, Bill 22.

● (1410)

After spending hundreds of millions of dollars on bilingualism, are we now to look at nine bilingual provinces accepting bilingualism, and one province rejecting it? I wonder how the Prime Minister would have reacted had the province of Ontario, for example, legislated its own Bill 22 in respect of English. The fact is that the province of Ontario has recently taken the very responsible step of initiating French-language courses from kindergarten on. For the Prime Minister to say that Francophones of this country are being treated unfairly by the rest of Canada is, quite simply, ridiculous.

Let us consider, for example, some of the federal funds that were allocated as recently as last year. Under the Opportunities for Youth Program the province of Quebec received $28.5 million, compared with Ontario's $15.5 million, with an over-all Canadian total of $68 million. That represents nearly 50 per cent for Quebec alone—hardly an anti-Quebec situation.

Let us consider, also, Local Initiatives Program grants, of which Quebec received $80 million and Ontario only $31 million out of a total Canadian allotment of $202 million. Again, that is hardly anti-Quebec. The DREE figures are equally slanted in favour of that province and are also a matter of record.

I for one, and I believe there are millions of others in this country, am becoming sick and tired of the constant pressure by this government to cater at every turn to la belle province. I am not an English Canadian. I am not a French Canadian either. I am simply a Canadian, and I am proud of it. As some members know, I was born behind the iron curtain and escaped with my family at an early age to come to this great country, a country full of promise, opportunity and freedom. That is something we did not, and do not, have back in Czechoslovakia. I do not like the idea of the possibility of a language curtain being erected in this country, right under our noses, with the prodding of the Prime Minister. It distresses me to find this country divided by language instead of united by language.

Let me make it very clear that by no means am I against bilingualism. As a matter of fact, I would be more than happy to see more Canadians speaking both languages. I am presently taking French classes and therefore hope to add that language to the three I already speak. The answer, then, does not lie in forcing bilingualism upon any person or group of persons but, rather, by incorporating language training into the earliest grades of our school systems. As long as bills, such as that passed in Quebec, to legislate against any minority are allowed by the federal government to stand, our country will continue to be divided and will never show its truly great potential.

It is up to the elected officials to unite this country through co-operation, understanding and reasonable compromise, and not to permit any minority to suffer the injustice of restraint of freedom, whether that freedom be of religion, education or language. These principles are the very foundation of our country and must remain firm if we are to truly remain, as our national anthem states and, I hope, continues to state, "strong and free".

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I join those who have preceded me in this debate in extending sincere congratulations to Mr. Speaker on his elevation to the chair. I was one of those who had the duty of escorting him, resisting, to the chair. The way in which he has conducted our proceedings since then confirms my view that his modesty was excessive and that we should have overcome his resistance. I also wish to congratulate the two hon. members, the mover and the seconder of the address in reply to the Speech from the Throne. Those two speeches were in the best parliamentary tradition and, I may add, in the authentic Liberal tradition of concern for one's fellow man.

All members of parliament, both newly elected, like the mover and seconder of the address in reply, and those who have been here for a number of years, are conscious of the unprecedented challenge presented to this institution to measure up to its responsibilities. In a system based on laws and not on power wielded by men, where government is carried on with the consent of the government, it is important that institutions possess the flexibility necessary to translate earlier individual concepts of human liberty into terms relative to today's mass societies and

their challenges of mass communication and instant response.

I, therefore, have no hesitation in asserting that one of the primary tasks of this parliament should be the continuation of the process of reform of our procedure and structures which will enable us to discharge our responsibilities effectively. From the model parliament of Edward I to the sweeping revisions of our own procedures beginning in 1963, the history of reform is an attempt to strike a balance between the manifest need to sharpen parliament's capacity to respond quickly to public demand and the preservation of the fundamental principles of redress of grievances and control of expenditures. These are no mean objectives; they are the pillars upon which this institution depends. They were of urgent importance in Simon de Montfort's time when the barons asserted their right to represent the people against the exigencies of the royal exchequer; and they continue to be fundamental objectives today.

At this point, having outlined something of the nature of the problem, I wish to congratulate my predecessor as leader of the government in this House, who is also my successor in the post of Secretary of State for External Affairs—a post to which I am sure he will lend lustre and distinction—for the manner in which he discharged the onerous functions of his office while keeping to the fore the great and fundamental principles on which the institution is erected. My distinguished predecessor in office will agree, I am sure, that the inevitable growth of executive power, inevitable because of rising public expectations and increasing complexities of the problems facing the government, calls for a consequent strengthening and shoring-up of the legislative branch by rendering its deliberations more effective and more responsive.

Mr. Diefenbaker: And without destroying the rights of the opposition.

Mr. Sharp: Exactly. Cynicism about representative institutions is characteristic of our time. If parliament is to respond to criticism, it must be ready to adapt to change, to preserve the advantages of a system in which the executive branch can perform its essential functioning of governing while subjected to wholesome checks and constraints on the untrammelled growth of its power. Going a step further, it is not enough for parliament to be accessible, for governments to be responsible, for ministers to be accountable; not only must these things happen, they must be seen to happen, in order for Canadians to retain confidence in and continue to identify the management of their own destiny with our noblest institution.

By making parliament a more flexible vehicle of public participation, by emphasizing its function of informing and enlightening Canadians about the business of government, we shall be moving toward closer identification of Canadians with this institution and system which has served us well. This is essential, for parliament cannot accomplish its historic functions in isolation or by being shunted aside in a welter of conflicting demands for public attention. If parliament ceases to hold a position of priority in public affairs as the centre-piece of the democratic system, then parliament's capacity as a protector of our freedoms will be diminished.

● (1420)

In some emerging nations, populations grapple with the subtleties of "one man, one vote", while in other countries with a long tradition of democratic institutions, freedom is stifled. In vast areas of the supposedly civilized world, individual freedom has retrogressed to a level comparable to that of the Middle Ages. In many areas of the world a new age of darkness has encompassed man's aspirations. But everywhere the aspiration for freedom remains a flame in human hearts.

I ask you, Mr. Speaker, and through you the members of this House: is there any parliamentary democracy that we know of that has had to erect a wall protected by barbed-wire or patrolled by armed guards to keep people in? There have been occasions, and there will be occasions in the future, of high drama, of inspiration and eloquence on the floor of the House. But it is in the day to day assertion of our freedoms, the rights and privileges of members, including the right to question, criticize and disagree, that parliament renders its most valuable service.

Mr. Diefenbaker: I apologize for interrupting, Mr. Speaker. I have been called out of the House on short notice. I shall be back as soon as I can. I would not want to be unfair to the minister in the very interesting address he is giving. Excuse me.

Mr. Sharp: Mr. Speaker, the right hon. gentleman is always very courteous. I thank him. One of our greatest parliamentarians, Edward Blake, said 100 years ago:

> The privileges of parliament are the privileges of the people and the rights of parliament are the rights of the people.

The current reform wave—if I might so describe the process which began in 1963—was given new impetus in 1968 under the distinguished and purposeful leadership of the present Minister of Energy, Mines and Resources (Mr. Macdonald) who, as leader of the House, ushered in sweeping reforms. My immediate predecessor, the present Secretary of State for External Affairs (Mr. MacEachen), carried on the process in a minority parliament. Revision of parliamentary salaries—which will have to be considered again—increased and improved facilities for members, including research, control of election expenses—now in effect—an innovative and constructive approach to redistribution of parliamentary seats, and a landmark green paper on conflicts members face when outside interests may affect their independence in the discharge of parliamentary duties, are among the achievements of his tenure of office.

The hon. member for Peace River (Mr. Baldwin), who will once again officiate as House leader of the official opposition, the hon. member for Winnipeg North Centre (Mr. Knowles), that acknowledged expert on the rules, and many others made their distinctive contributions to these far-reaching reforms.

It fell to Mr. Speaker Lamoureux to preside over the introduction of the new rules with that wisdom and impartial judgment which made him an ornament to the chair. I am sure that you, sir, his successor in that high and crucial office, will exhibit the same qualities along with a flair for innovation already shown in your conduct

of the Standing Committee on Justice and Legal Affairs, all of which will contribute positively to our deliberations.

To strengthen parliament's role as a vehicle of reasoned dissent when no institution, human or divine, is immune to critical scrutiny is surely the purpose to which we should be addressing our endeavours. It is important in this connection, it seems to me—and I hope I will have general agreement in the House—that steps be taken to increase parliament's accessibility and the ordinary Canadian's sense of participation. All Canadians are affected by decisions we take here, on the floor, and in the standing committees. The high court of parliament must in turn reflect the concerns and anxieties of those it represents in a tangible and visible way.

First, let me deal with the matter of the granting of supply, one of the primary functions of parliament. The 1968 reforms transferred the essential scrutinizing function of the committee of supply to standing committees of the House. Some, like the right hon. member for Prince Albert (Mr. Diefenbaker), have felt that the present procedure does not permit the intensive and detailed scrutiny of major estimates which is parliament's right. Referral of estimates to appropriate standing committees has relieved the House of a great deal of the burden of routine scrutiny, while the principle of redress of grievances has been preserved and indeed amplified in the allocation of 25 days every year to the opposition parties. Nevertheless, it is important that the two great principles of control of expenditure and redress of grievances not only be imbedded in the system but that they be visibly a part of it.

I should emphasize that I do not think there should be any question at this time of returning to the old committee of supply procedure; the present procedure on the whole is superior. On the other hand, there may be occasions when particular estimates could be scrutinized in a committee of the whole House, and the government approaches the question with a flexible attitude. Indeed, within the next couple of weeks we will have an opportunity to experiment with this method of scrutinizing estimates pursuant to the special order approved at the opening of this session.

It has been said that government proposes and parliament disposes. In any parliament there are two major components, the party in power and the opposition. This produces a definite polarization in the conduct of House business—not always an idealogical or even political polarization—the polarization of the "ins" and the "outs". This is a healthy state of affairs when it leads to careful and well organized programs by the government and vigorous, positive and informed criticism by the opposition. As in all human affairs, ideal conditions do not always prevail, even in the high court of parliament.

Nevertheless, when it comes down to those critical periods when it is a case of making parliament work, both sides generally place partisan considerations temporarily to one side in the interests of the proper functioning of the institution. I anticipate no dissent when I say that this parliament will have to be made to work steadily and with concentration if we are to deal with the backlog of work before us at the beginning of this session. I am encouraged by the meetings I have already had with the House leaders of the opposition parties to believe that this is well understood by all of us as we try to arrive at a consensus on the time-frames within which government-sponsored legislation can be made to pass through the House and its standing committees.

There has been good success in the past several sessions in reaching agreement on methods and timing for dealing with legislation, and while we have not yet reached the state of organization prevailing in the mother of parliaments, the volume of important legislation in our last two parliaments is evidence that with goodwill and co-operation we are moving in the right direction. It is my view that we can go a good deal further in the organization of our business without weakening the effectiveness of the opposition in its essential function of critic and, as a by-product, raise the level of debate and give members on all sides a better opportunity of participation.

● (1430)

The Prime Minister (Mr. Trudeau) in his speech in this debate dealt with the use of the period devoted to oral questions. This 40-minute period is a routine procedure, as some hon. members know, of comparatively recent origin. I can recall watching from the officials' gallery some years ago when oral questions were very few in number and were prefaced by the words, "Before orders of the day I would like to address an urgent question to the minister". I can also recall sitting in the House when the opposite extreme was the case and there was no time limit: sometimes the oral question period lasted more than an hour, sometimes as much as two hours. Our procedure with respect to oral questions has evolved to conform to the nature and requirements of the Canadian House of Commons and it is without doubt the most lively period in our daily deliberations, the best show in town. This it should remain. In my view, however, it can be improved without losing its liveliness. The televising of this part of our proceedings would in itself help to discipline the questions and the answers.

Mr. Munro (Esquimalt-Saanich): Maybe we would get answers.

Mr. Sharp: The points that need most careful consideration are, first, the giving of notice of the opening questions to be put to the ministry and, second, the attendance of ministers. As a minister, I confess that I rather like the challenge of trying to answer questions without notice.

Mr. Munro (Esquimalt-Saanich): Or evade them.

Mr. Sharp: I also know that if I receive notice I must give better answers, and the supplementaries could provide the stimulus of the unexpected. Neither will the oral question period suffer in liveliness or in value if some sort of system is introduced that would not require all the ministers to be in the House every day so that each of them is present in case somebody, without notice, happens to address a question to them. I am not suggesting that we will revive the roster system, or anything like that. What I am saying, Mr. Speaker, is that this is a question for consideration, in the interest of the opposition. They can contribute to improving their own performance in the House by giving the ministers an opportunity—

An hon. Member: Gee whizz; thank you.

Mr. Nowlan: Thank you for that gratuitous advice; it is worth what we paid for it.

Mr. Faulkner: We are doing what we can for you.

Mr. Sharp: The designation of days on which particular ministers will be questioned makes sense from the point of view of this House, on all sides, including the opposition, and of course in the interest of governmental administration. It would make the question period an even better show.

Mr. Knowles (Winnipeg North Centre): Would the minister accept a question before he leaves that point? In view of his interest in the question period being a better show, as he puts it, would it not be a good idea for all the ministers to be here just to see what is going on?

Mr. Sharp: There is nothing that I enjoy more than being here to watch the fun, but there are occasions when even I put other business ahead of just watching, and I do believe it would be in the interest of the House and of the country if some way could be found to direct questions to ministers at particular times so they could be here well prepared and able to satisfy the curiosity of the members.

Mr. Macdonald (Rosedale): In a hedonistic pursuit of pleasure.

Mr. Sharp: The House will once again be asked to come to terms with the question of the redistribution of parliamentary seats. As hon. members know, there is a deadline of December 31 beyond which, under current legislation, consideration of this matter cannot go. I have reason to believe that there is sufficient consensus on this question among the parties, resulting from discussion in the Committee on Privileges and Elections of the last parliament, to enable a bill to be introduced in time for it to be approved before the end of the year, and that will be the government's intention.

The question of the independence of parliament, the freedom of hon. members from outside attachments which might exercise undue influence on the conduct of parliamentary business, is one which has been examined in the green paper on conflict of interest. It is the government's intention that the House, through the appropriate committee, once again be seized of this urgent question.

It is my concern to devise a more efficient and speedy machinery for supplying information adequately and accurately in reply to members' questions on the order paper. I would point out that we are not yet through the debate on the Speech from the Throne and already there are well over 400 questions on the order paper. I would solicit the co-operation of hon. members in avoiding duplication of questions, avoiding matters of minor urgency, answers to which could be obtained by simply asking the department, or matters of unnecessary complexity and amplitude. Many times—and I suggest this from experience in the House as a minister for many years—fishing expeditions which are enormously expensive and produce much irrelevant information can be avoided by advance consultations with the minister concerned or, if need be, with the President of the Privy Council.

Under the rules of 1968, the standing committees perform a major portion of the parliamentary workload. Under my predecessor as House leader, the performance capacity of the committees was strengthened by staff allocations and budgeting of time. I would hope that consideration might be given to stabilizing committee membership so that members can maintain a continuing attachment to committees in which they are interested. In effect, the practice of platooning memberships should be carefully examined from the aspect of its impact on the really serious and effective work being accomplished by a number of committees.

There will be agreement, I am confident, that the standing committees have become an effective medium for channelling expert and informed opinion on complex and involved questions before the House and in that respect, too, they are providing a useful parliamentary service. In my various ministerial capacities when I have appeared before parliamentary committees on many occasions, I have seen a gradual evolution in the functioning of these committees. When I think of how much more effective and informed these committees are today than they were, say, 11 years ago when I first entered the ministry, I feel that the rules under which we are now proceeding and the way in which parliament is using the standing committees make it evident that we are on the right track. Presumably we can do better, but I think we could do better if we had a more permanent kind of attachment to committees and a building up of more expertise on the part of individual members.

It would no doubt appear curious to present-day Canadians if parliament closed its doors against the media and persisted in viewing its debates as a purely private matter. Yet it was not until the middle of the eighteenth century that the principle was accepted of an overriding public interest in the fullest possible coverage of parliamentary business. Parliament once claimed the right of privacy against the Stuart kings, and even now there is nothing in the rules of procedure to guarantee the presence of strangers, even the media, in the House. Nevertheless, open and impartial coverage of the parliamentary process remains an essential element of a free, democratic society.

In an age when public assemblies are constantly in danger of being overtaken by events, piecemeal reforms are not enough; there must be a unifying element providing a matrix of dedication to the principle of participation by legislators, administrators and citizens. Since the number of Canadians who are able to participate directly in or attend important parliamentary debates is restricted by available time, cost of travel and lack of opportunity, for many the only means of participation is through coverage by the media. This brings me to the question of broadcasting the proceedings of the House of Commons. This question has been considered on several occasions by the Standing Committee on Procedure and Organization and a number of important findings have been published, including those of the second report of the committee in June, 1972, which favoured television broadcasting in principle and recommended additional technical studies.

● (1440)

The report of the committee *inter alia* put forward the proposal that the television record should be produced as a kind of electronic *Hansard*, with production controlled by parliament and distribution in the hands of the final users, as is now the case with *Hansard*. It would appear to me that the House is in possession of sufficient information, both of a procedural and technical nature, to pronounce itself on the principle of television coverage and that the time has come for consideration of a motion to secure the judgment of the House in the matter.

In my view and the view of the government, it should be possible to bring to Canadians not only the opening of parliament, which is now in the way of becoming a tradition, on the nation's screens but perhaps one or two important episodes of parliamentary business on an experimental basis. I put this question to hon. members through you, Mr. Speaker: are we justified in continuing to delay the implementation of the kind of installations capable of bringing to Canadians a more vivid, more compelling and more complete record of our proceedings than has ever before been possible?

To me there seems to be only one answer to that question: we are not justified. The matter has been considered at length and I believe in this House there is an overwhelming opinion in favour of proceeding. This should be tested in the House of Commons by early consideration of a motion to approve the televising of our procedures. Whether the television record is distributed live through cable channels, educational television or existing national networks, or as a nightly or weekly summary of events in this chamber, is a matter for discussion. The overriding consideration is that the material should be made available both for purposes of public information and for future archival and historical use.

In opening its doors to the electronic age, parliament will be taking a step as fraught with historic significance and the possibilities of procedural evolution as the admission of verbal journalism in the eighteenth century. I am satisfied, for example, that some of the practices of this House—such as a series of statements on motions initiated by a minister—would not survive in their present form if they were conducted under the scrutiny of the television camera. It seems to me we could probably find a better way even before we permitted television into this House. Surely this is one of the procedures we should consider and improve.

It does seem ludicrous that television should be barred from the oral question period, but that ministers and critics from the opposition should appear outside the chamber to answer questions put by reporters in what amounts to a mock-up of the question period. Surely the public should be able to witness the real thing when the government faces its critics across the floor of this House.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: None of that extramural TV.

Mr. Sharp: As one of those who has participated in many of these extramural encounters, Mr. Speaker, nothing would have appealed to me more than to appear on television answering the questions of the right hon. member for Prince Albert. It would have been a dramatic encounter.

Mr. Mazankowski: That is, if you had answered them.

Mr. Sharp: I wish to assure the House through you, Mr. Speaker—and I trust that what I have said reinforces this assurance—that the government wishes to proceed by way of consensus in reforming the procedures and structures of this House. In this connection, I should like to associate myself with the remarks made last evening by my parliamentary secretary, the hon. member for Kenora-Rainy River (Mr. Reid), and the hon. member for Egmont (Mr. MacDonald), who expressed themselves as being in favour of having discussion of the rules of this place conducted in public so that the public can participate and make its input to the reform of our procedures.

Some hon. Members: Hear, hear!

Mr. Sharp: Our concern is not so much the ability of the government to get House approval of its program, although this is a legitimate concern of any government, as it is to enhance the performance and reputation of parliament. No party gains if parliament falls into disrepute either because urgent legislation is unnecessarily delayed or because the opposition is prevented from discharging its essential critical function.

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, first I would like to congratulate you upon election to your high office. I have no hesitation in saying that I know you will preside over this House in the same manner, with the same diligence and in the same conscientious way as was ably demonstrated by your predecessor. In the same vein, I should like to congratulate Mr. Deputy Speaker, the hon. member for Beauharnois-Salaberry (Mr. Laniel) upon the appointment to his high office. I should also like to congratulate the hon. member for Montmorency (Mr. Duclos), the mover of the address in reply to the Speech from the Throne, and the seconder, the hon. member for Vancouver East (Mr. Lee), for the way in which they performed their respective tasks.

It is a fact, Mr. Speaker, that Canadian governments spend a considerable amount of all the income earned by business establishments and Canadian taxpayers. It has been established that this amount has now reached the 50 per cent mark. When I refer to Canadian governments, Mr. Speaker, I am including not only the federal government but municipal and provincial governments as well.

It is no secret that many Canadians share the opinion that we are today overgoverned, and in the last 25 years the size and power of government has grown in a most phenomenal way. In addition to the three levels of government, there are Crown corporations of many kinds, government-owned utility services, government-owned transportation services, government monopolies of alcohol, government-sponsored marketing monopolies, and government-financed broadcasting media and health plans.

The point I would make, Mr. Speaker, is that more and more power is being concentrated in the hands of government at the expense of the citizen. When all the government enterprises are added up, the rest of the Canadian economy is in a minority position. Most Canadians have

failed to realize that we are in real danger of becoming a one-boss economy. It is well-known that most people are resentful and suspicious of all big establishments, big unions, large corporations, large governments and big utilities.

Some people ask, what is the difference between working for a hugh company and a large department of government? What is the difference, they ask, in being responsible to a company's shareholders and being responsible to a minister of the Crown? Why worry about huge governments? It is a question of relative size. In a truly mixed economy we do have a choice. As consumers, we can choose among competing suppliers and select those which give us the best value in price and quantity.

Someone once said that competition is the key to the welfare of the worker and the welfare of the consumer; that competition is the protector of the interests of the citizen. The point I am trying to make, Mr. Speaker, is that we are fast losing our freedom to choose between the government employer and the competitive enterprise employer in the marketplace.

● (1450)

Canada is fast moving in the direction of the 50-50 proportions of that famous stew which contained one horse and one rabbit, which is to say that the share of the private sector is steadily shrinking. This kind of thing should be reversed. It is imperative that we strengthen the competitive enterprise system, to enable it to do for us the jobs which it does best. This system has built in checks and balances which government operations lack. Industry, manufacturing firms, including the large multinational ones, are constantly exposed to the healthy cleansing action of vigorous competition in an open economy such as we have in Canada. Competition is the incentive and the force which develops both people and products.

If present trends continue, Mr. Speaker, the state will either operate or control all economic activity in Canada by the turn of the century. When we reach that point there will be only one employer, backed by the full power of government, to ensure that the monopoly cannot be challenged at that stage. One can predict that the one remaining employer will begin to dictate wages and working conditions. This is where we are heading. This is what will happen to us unless we demand that all government programs be confined to those activities alone which cannot be handled in any other way.

If the job can be done in any other way, government should step aside. The government's only job should be to set the rules and ensure that the rules are adhered to. The philosophy of the all-powerful state is unacceptable to the Canadian people. We all like a little freedom to make our own decisions. Further, Mr. Speaker, there are no guarantees that an all-powerful state would remain benevolent.

Long ago, Lord Acton said, "Power corrupts and absolute power corrupts absolutely". Other voices are beginning to echo the same sentiment on the subject of the rights and freedoms of the individual citizen. One person, whose name escapes me at the moment, said, "The transfer of power from the individual to the state is sometimes expressed as moving from the private sector to the public sector. In fact, the truth is that power is being transferred to the government and away from the public, not towards it." United States economist, William Peterson,

> The problem of containing government power is an historic, universal and external one, . . . A free individual cannot exist in a society where the state controls all means of employment and income.

Richard Needham said in his column recently:

> Let Ottawa give real power back to the provinces, then let the provinces pass real power back to the municipalities. Local is beautiful, control is ugly.

On the CBC program "University of the Air," some time ago Professor W. C. Hardy of Alberta told us this:

> The world of the Roman empire in the first two centuries is almost frightfully similar to modern North America. As benevolent paternalism and bureaucracy took over, personal freedom tended to disappear. To the cost of bureaucracy was added the expense of the dole.
>
> There was an attempt to combine a subsidy to Italian farmers with charity to needy children. All of these expenditures had to be recovered from the taxpayer. To compound the difficulty there was an adverse balance of trade. The middle class was taxed out of existence. The same principle was imposed on farmers and labour. The welfare state had become a despotism.

History, Mr. Speaker, can repeat itself unless we are vigilant. One of the things which dulls our alarm mechanism is the evident sincerity of those who advocate even bigger governments. They have convinced themselves that they are the chosen keepers of the holy tablets; they are certain that they alone hold the secret of the public good and so are scornful and arrogant of anyone who dares to differ. Another factor is the skill of these advocates in selecting words which act as hidden persuaders. Everything they propose is "social". They call themselves "Liberal minded" or "Liberal Democrats", but they promote the planned state, which means planning the citizen too. Their opponents on the "right" side of politics are neutralized by always being termed "extreme" right.

This word-play is aggravating to those who believe that a liberal person holds that the individual is more important than the state. It is infuriating when one seeking to uphold individual freedoms is ridiculed as a reactionary, especially when the epithet is hurled by those who are actively promoting the centrally planned, all pervasive state, the computerized version of the feudal system. The financial damage done by big, overblown governments, Mr. Speaker, is ever apparent. It is increasingly recognized that inflation is one by-product. The statement that all inflation is either caused or condoned by governments is probably not entirely accurate. Nevertheless, back in 1966 the following statement was made by Professor H. W. Hutt:

> Nearly all inflations have been intentional calculated actions of governments. Inflation has been a slow, inexorable transfer of consumer freedom to the state.

In 1968, Arnold Hart of the Bank of Montreal stated:

> A substantial share of the blame for the excessive upward push on prices and costs must be assigned to our governments of all three levels.

Earlier this year, John Beare, an economist, pointed out that printing too much money starts the wage-price spiral in motion. He went on to say:

> The finger is usually pointed at "greedy" unions and "nasty" monopolists for the cause of inflation. The finger could more accurately be pointed at the institution which gains more from inflation—the government. Bigger government means more inflation.

Inflation is now around the 12 per cent mark in Canada, a level calculated to shake any Canadian able to grasp its implications. It is no answer to say, as this government has been saying, that there are countries which did even worse last year. This is true, but most of them cannot be rated serious competitors of ours in world markets. It is equally true that the United States, with which we do 70 per cent of our trade, had a somewhat better inflation record than we did. That is very much more to the point. It hardly needs to be pointed out that our economy is very much less efficient than that of the United States. Trade is vastly more important to us, which means that we can ill afford to allow our prices to rise four times as fast as they need to rise.

We cannot continue, as we have been doing, complacent in the knowledge that inflation is hurting our competitors too. The penalty is all too evident—a lot of lost business, plus a great many lost jobs. We can no longer contend with increasing inflation in our country, inflation which is force-fed by this government whose spending has risen year by year at a faster rate than we can create new wealth. Mr. Speaker, if we continue to expand the public sector and annually boost the expenditure of government at the present rate, both the private sector and the climate for business in Canada will suffer, our wealth-producing capacity will suffer and with it the national standard of living. To think otherwise is to deceive ourselves.

The Economic Council confirmed that spending on social and welfare programs is soaring and must be brought under control before it sinks all of us. Government spending, Mr. Speaker, has been growing close to twice as fast as our gross national product. The figures show that general government spending has been rising at least as fast as transfer payments from government to citizens. The main beneficiary of the welfare state seems to be the government. The injection of more money into a welfare sector never seems to eradicate the welfare sector. The costs, the failures and the dangers will not become less if this government continues to grow faster than we can increase the annual value of the goods and services we produce.

● (1500)

In conclusion, Mr. Speaker, I hope that all of us during this parliament will have the wisdom to base our future policies in Canada on the premise that the more people can do for themselves the better, and the more we can limit the future growth of the government, also the better.

Mr. A. C. Abbott (Mississauga): May I first join with other hon. members in offering congratulations to Mr. Speaker and to his deputies. I know they will carry out their difficult task of overseeing this House with the same skill as was shown by their predecessors. I should also like to congratulate the mover (Mr. Duclos) and the seconder (Mr. Lee) of the Address in Reply, new members like myself, who have set a high standard at the beginning of a new parliament.

I am pleased that I can follow in this debate the President of the Privy Council (Mr. Sharp), and that I can offer congratulations to him on his appointment. I should also like to say, as someone who has known him over the years, that I suspect there is no member of this House, with the possible exception of the right hon. member for Prince Albert (Mr. Diefenbaker), who has rendered more service to this country than the President of the Privy Council.

As a new member it is with feelings of some trepidation and awe that I rise to speak in this Chamber. I suppose it is a feeling known to all who have done so. Anyone with a sense of history must feel somewhat overwhelmed by an appreciation of the great figures who have spoken here, or in the Chamber which preceded this one, or in the British parliament itself. I suggest that no greater honour could fall to any Canadian than of being elected to this House and speaking to fellow members of this Chamber.

I am grateful that the right hon. member for Prince Albert is in his place. There is no one probably, in the history of this parliament—who has added more colour, more drama or more excitement to its proceedings, than has the right hon. gentleman.

Some hon. Members: Hear, hear!

Mr. Abbott: Whatever else I may accomplish in this parliament I can at least say that alphabetically I lead the list of all the members since confederation. I do not know how long I can maintain that record.

I represent the constituency of Mississauga. There are some members who are perhaps not overly familiar with this community. Possibly there are some who cannot even spell it.

An hon. Member: What about you?

Mr. Abbott: I can most certainly spell it, and I can speak of it with enthusiasm because it is already among the major cities of Canada in size and importance, adjoining, as it does, the great metropolitan area of Toronto. There is a disposition on the part of the residents of that great and dynamic metropolitan community to look upon Mississauga as merely a part of that metropolis and to take it for granted.

An hon. Member: Shame!

Mr. Abbott: Just as we Canadians living on the border with the United States have a feeling sometimes that our own great community is overshadowed by the United States, so do those who live in Mississauga sometimes have a sense of being overshadowed by Toronto. But perhaps I might paraphrase the words of Sir Wilfrid Laurier and say that if the latter half of the 20th Century belongs to Toronto, the first half of the 21st Century will belong to Mississauga. In any case, the city's rapid growth and its promise of a brilliant future assure it an important place among the metropolitan centres of Canada.

Despite the growth of industry, business and other phases of activity which go to make Mississauga a splendid community, there are certain areas of concern. The vast growth of recent years has created transportation needs which have not yet been dealt with. Many people in the area find it necessary to commute either to Toronto or in a westerly direction, and the transport services are in dire need of improvement. I welcome the initiative which the government proposed to take in this field during the last election, along with the other measures which were

promised, and we look forward to action being taken in due course.

I am sure many hon. members frequently visit the Toronto international airport in Mississauga. Originally that airport served a more modest community. However, it has been extended to the point at which it has become a great centre of transportation, a source of noise and smoke pollution. People who live near it are extremely concerned, and justifiably so. The present state of our thinking in this country is to regard the people, their well-being and their way of life as of primary importance, and not what is loosely called progress in a technical sense.

Today, people who live in an area which was relatively unscathed by the disturbance of aircraft taking off and landing find themselves very seriously inconvenienced. Thus, there was great relief among the people of my constituency to hear that the government did not intend to expand this airport further. Instead, another airport is to be built elsewhere in another part of the province. There may, of course, be complaints from residents of the area designated by the plan, and we must maintain an open mind. At the same time, I am dedicated to the proposition that the airport in Mississauga should not be enlarged to the point at which citizens have to deal with flight congestion 24 hours a day.

I should like to say a few words about one of the issues to which reference was made in the Speech from the Throne. I refer to the dangerous situation created by inflation. There is nothing which touches Canadians more drastically than this, and it is heartening that the government is dealing with this problem—

An hon. Member: "Wrestling".

Mr. Abbott: The word wrestling has been used. It might be noted that when the Minister of Finance (Mr. Turner) attempted to introduce some budgetary improvements, it was necessary to wrestle the Tory party to the ground. This proved to be a relatively easy task. Nonetheless, it was a time consuming job though, fortunately, it resulted in a stable government, one of which Canadians can be proud. I was greatly encouraged by the speech of the Minister of Finance.

● (1510)

I was greatly encouraged by the message in the speech of the Minister of Finance. I found it to be realistic, sound, sober, dealing with the problem, not offering any pat or magical solution, and taking note of the great suffering that a number of Canadians are enduring. People talk readily and easily about citizens on fixed incomes being the victims, but too often we pass quickly over this and fail really to consider what is meant by that phrase.

I was reading in the September 28 issue of the London *Economist* a paragraph that perhaps described the problem which in Britain is more severe but which cannot be overlooked as being akin to the problem we face here. The paragraph reads as follows:

> Although the society appears more concerned than before to look after the old and the unfortunate, which is only partly a reflection of the improved political strength of the pensioners, much of the older generation's sense of independence is being eaten away. The virtue of thrift is disregarded in the general compulsion to spend, the rewards of such savings as contributory pensions schemes are being wiped out in the inflation, so that men who retired only three or four years ago with pensions to keep their wives and themselves in modest comfort are now dependent on the charity of their old firms—if those firms are still making profits.

The Minister of Finance has stated what surely any sensible person in this House will recognize if he only reads his daily newspaper, that the fires of inflation are burning everywhere in the world, particularly in the western industrial world; and, if anything, they are burning with less severity in this country than in almost any other country in the western world.

The minister further indicated that this was no matter for comfort or tranquility. He has recognized the problem but said that despite all the world's economists being gathered, under the best possible auspices, no ready solution has been prescribed for treatment.

The President of the United States in his message dealt with the problem in a fashion that I think was responsible. It approached the situation with a number of formulas. Many have already been tried in this country and found to be helpful. He did not indulge in overkill, as the minister stated, and he certainly did not engage in a renewal of the bankrupt policies of wage and price controls which were so favoured by hon. gentlemen opposite.

I have been reading a book called "The Edwardian Era" by Andre Maurois, and one paragraph describing Arthur Balfour could perhaps be applied to the hon. Leader of the Opposition (Mr. Stanfield). It need not be added that Mr. Balfour was a very considerable figure in British public life as the Leader of the Opposition is here, and I hope this mildly critical passage has enough complimentary things to say. However, I felt it was curiously apt for the situation that we have seen in the last few months of offering a policy of incomes control to the Canadian people, notwithstanding that it was tried and found to be a failure elsewhere. Perhaps it is not as apt as it seems to me to be, but the paragraph reads as follows:

> Like Lord Salisbury, he was frankly conservative because he was gently pessimistic. He considered that a wise man contented himself by a gradual solving of the problems of his generation, with prudence and proportion, and always mindful of his own feeble powers of foresight and of the narrow limits of his field of action. He also believed that there were advantages in doing a stupid thing which had been done before, rather than a wise thing which had never been done. And that is the quintessence of conservatism.

If that is the quintessence of conservatism, I suggest that the Canadian people recognized that spectre and decided that they should return to a strong majority government, and I am proud to be on this side of the House supporting that government.

I am also glad that the Minister of Finance has promised that the government will reduce spending wherever possible, because I believe that government spending in excess is one of the great contributors to inflation. Government spending is not confined to the federal government; the provincial governments of this country have been spending with an open hand, at a rate far exceeding that of the federal government, especially the province of Ontario.

With regard to who is to blame for inflation, government must certainly take its share. Members of the government cannot turn to the business community and assert that they are chiefly responsible for inflation by

profiteering, because the facts would indicate otherwise. Smaller and medium sized businesses in this country face very severe problems in terms of maintaining themselves. It is difficult to found a business. Extremely high labour costs and high taxation make entrepreneurship a far less welcome prospect than perhaps going to work for government. I think the government's program to attack this problem is very laudable.

Finally, Mr. Speaker, I was further heartened by the promise in the throne speech that the government was going to address itself to parliamentary reform, about which the President of the Privy Council (Mr. Sharp) spoke today. Needless to say, it is a presumption for a new member to rise and start pointing out defects in rules with which he has not yet become familiar, indicating that there should be improvements made. However, I think, like many Canadians who have read their newspapers, or seen parliament in action, that there is an unquestioned assumption that parliament can improve its performance. I hope I am not overstating the case.

It is not simply a matter of parliament improving its rules and so enjoying the comfortable knowledge that it is being more effective and efficient. The real point of it is that if parliament, in what may be difficult economic days ahead, falls into disrepute, if it becomes an object of contempt on the part of the general public, then the consequence will be that all our institutions of government, our courts and our systems of administration, will be also cast into disrepute. At a time when we want Canadians to be conscious of the dignity and strength of their governmental system we must strengthen our own parliamentary system so as to enjoy that confidence better.

Again, Mr. Speaker, may I thank Your Honour and the House for their indulgence, and I look forward, with my fellow members on this side and elsewhere, to the coming parliament.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I say at the outset how very pleased I am to have the privilege of following the hon. member for Mississauga (Mr. Abbott) and I commend him for what I consider a very excellent speech. It is a tribute to the people of Mississauga who have successively sent very capable representatives to this chamber. I refer as well to my good friend and colleague, Mr. Blenkarn, whom, I am sure, the hon. member knows very well and with whom perhaps he had some very interesting experiences in the course of the last few months. While I may not agree with the hon. member's analysis of the throne speech and some other of the analyses he put before the chamber, I do want to say that his speech was enjoyed by members on this side and we certainly look forward to his participation in our future deliberations.

I want also to join with the many other hon. members of the House in paying tribute to Mr. Speaker, the hon. member for Sudbury (Mr. Jerome), who has been elevated to the Chair. I know that the hon. member for Sudbury, who is now the Speaker of this august Chamber, will discharge his responsibilities in a very distinguished fashion, and will not only bring honour to his friends and colleagues here, but indeed honour to his constituents and his family. It is a special honour for me to be one of those members of the class of 1968 who came to this House at the same time as Mr. Speaker. It is a tribute to him that, within such a short period of time, he has been able with his capacity, knowledge and legal experience to assume this very distinguished position.

[Mr. Abbott.]

● (1520)

Let me also extend my congratulations to those other members of the House who have been elevated to important positions; the Chairman of the Committee of the Whole, the Deputy Chairman who is the hon. member for Thunder Bay (Mr. Penner), and my very good friend the Assistant Deputy Chairman, the hon. member for Louis-Hébert (Mrs. Morin).

As I said at the outset, I certainly do not share the same feeling about the Speech from the Throne as expressed by the hon. member for Mississauga (Mr. Abbott). In fact, I find the speech less than comforting. I find it to be somewhat distressing in that it offers no clear direction for the future of Canada's economy.

Moreover, the speech delivered by the Prime Minister (Mr. Trudeau), to which I listened intently and read very carefully, offers very little hope in the enunciation of a clear economic direction for this country.

Given these circumstances, with the philosophic rhetoric we were exposed to, we on this side of the House are lead at least to presume that we can only anticipate more of the same kind of economic mismanagement we have experienced under this government, and which has been its pattern since assuming office in 1968.

All I can say as far as the Minister of Finance (Mr. Turner) is concerned is that he is merely travelling about the country and the world attempting to seek out some kind of national or international consensus of economic matters. Certainly that is not the kind of leadership one would expect from a majority government, and certainly not from a party which supposedly placed before the Canadian people all the answers and solutions to our economic ills. We now see the Liberal party, having been delivered a mandate by the Canadian people, slipping back into a state of suspended animation. In that respect we need simply review the record to put things in perspective.

In 1968 when this government took over, inflation was running at 3.2 per cent. Today it is running at 11 per cent, and for the last quarter it was running at 14¼ per cent. We are now experiencing a zero rate of growth, a situation known as stagflation. We have the prospect of higher unemployment. As a matter of fact the forecast for 1975 shows unemployment running in the vicinity of 7 per cent.

We have an accumulated budget deficit that has totalled $2.3 billion since this government assumed office. We have government spending more than doubled, and a public service that has increased from 369,000 in 1968 to 434,000 at this point in time, an increase of something in the order of 65,000. We have a money supply that has been doubled without a commensurate increase in productivity, and a cost of living which has increased by more than 40 per cent since the government took over. I would ask the government through you, Mr. Speaker, are we to continue on this path which has produced a record of dismal economic failure, incompetence and ineptitude?

It is unfortunate that this country and this government have missed a golden opportunity to show the world that we can deal effectively with problems of inflation. The government should be doing a much better job because it does not have the same irritants that have faced other nations of the world. For example, it has not been faced with an energy crisis to the same extent as that which has faced the United States, the United Kingdom and Japan. This country has not had to fight a war in Viet Nam as did the United States, and we have not experienced a Watergate fiasco. In spite of the lack of these irritants which have faced some of the other nations of the world we constantly hear from the government the suggestion that Canada is doing as well or better than other nations. I suggest we should be doing much better.

The United States administration has just enunciated eight different points in the fight to overcome its inflationary dilemma. More than half of the factors contributing to United States inflation do not affect Canada, so the government is misleading the public when it blames inflation on an international phenomenon. Such an approach is nonsensical and, I suggest, dangerous. It is not good enough to take comfort in the fact that we are better off than the United States, Japan or the United Kingdom. The failure of the government to deal effectively with inflation constitutes a major threat to the economic and social fabric of this nation.

Inflation affects everyone. Some can live with it, some can recover their losses, but some just cannot overcome the difficulties, particularly those who are unionized, the pensioners, the veterans, small businessmen and young couples. They are not able to overcome the impacts of inflation.

I should also refer to the farmers who are faced with increased input costs of the order of 20 per cent. It is true that food costs to the consumer have increased appreciably over the last few years, but the farmers' share has been constantly declining. Their share of the food dollar is now about 36 per cent, with the other 64 per cent taken up by marketing, processing and transportation.

We all know the experience of the livestock industry. The industry has never been in a more urgent state of turmoil than it is in Canada today. We are experiencing what is in fact a war with the United States in the movement of cattle across our borders. We all know the serious position the cow-calf operator finds himself in. This segment of the industry is fundamental to the survival of the beef industry.

We know the record of the government in its mishandling of the beef industry, with export restrictions and ill-conceived management of subsidies. We know of the manipulations and the interferences by the Minister of Agriculture (Mr. Whelan) and the government in respect of the beef industry. If there has ever been a body that has harmed the beef industry of this country, surely it is this government.

The government has destroyed confidence in this industry. Yesterday the Minister of Agriculture admitted in the House that he knew nothing about beef. He said he had never raised a beef cow in 20 years. It is obvious from the manner in which he has handled the beef industry that he has rarely seen a cow, let alone a bull.

Considering the depressing prices of beef to the producer one must ask oneself why the price to the consumer continues to stay at such a high level? Perhaps it is time that Mrs. Beryl Plumptre made a report on this situation. It is certainly time that the government brought some stability and assurance to the beef industry. We do not need another marketing board; what we need is something now to help the cow-calf entrepreneur.

● (1530)

Several proposals have been advanced. The governments of the provinces have indeed advanced proposals which would be of assistance in respect of the cow-calf operations. I ask the Minister of Agriculture to tell the Canadian people and this House what he intends to do about cow-calf operations in this country. I ask him also for leadership in the matter of the movement of grain and in respect of labour disputes. Where is the leadership? Where was he when demurrage costs were piling up? Where was he when demurrage costs were piling up? There was a burden to the farmers during the railway strike. This amounted to $10 million. Then another $10 million was involved in respect of the grain strike on the west coast and on the Great Lakes.

Where was the Minister of Agriculture during these situations? He does not speak on behalf of the farmers. He acquiesces with the minister responsible for the Wheat Board. We have had the inflationary settlements of 65 per cent in respect of the Great Lakes, and 61 per cent in respect of the grain handling industry.

I am wondering what the policy of the government is in this regard because the other day the Minister of Finance suggested we should be careful because, in fact, there is a danger that settlements might go beyond that which is necessary to catch up with rising living costs. Wage increases over the next three years, according to projections about the rate of inflation, could ensure that there will be inflation in perpetuity.

If 61 per cent and 65 per cent are not inflationary, and do not accelerate inflation, I do not know what they are. We do not have a policy from this government containing any guidelines. Therefore we find ourselves in a situation where inflation will indeed get worse based upon the pattern set by this government.

So far as I am concerned the Minister of Agriculture has failed to defend the interests of the farmers of this country. He is submitting to his colleagues, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) and the Minister of Justice (Mr. Lang). His speech in this House reflected that.

As a matter of fact it seemed as if the Minister of Agriculture has been pleading for some mercy. If the minister cannot stand the heat he should get out of the kitchen. I represent a large segment of agriculture in the country, as well as in my own constituency, and I shall not fall for his superficial humility. In my opinion agriculture, like the transportation system, is in the biggest mess it has been for a period of 20 years. I mentioned demurrage costs.

I want to repeat that the Minister of Agriculture should be making representations to the Prime Minister and his other colleagues in the cabinet to the effect that they should defray at least a portion of those costs which have

been incurred through no fault of the farmer. These costs have accumulated to the point that they represent millions and millions of dollars.

Then we come to the question of agricultural input. What has the Minister of Agriculture done in respect of maintaining the price of fertilizer and chemicals, which have doubled in price in the last year, or what has he done in respect of the price of steel which has increased 50 per cent in the last 12 months, or the price of twine which has increased four times?

What has the minister done about the availability of these products? It is bad enough that the price has increased, but many of these products are not available to the producer. Prices become secondary when availability is not there. Perhaps some form of a prices review board should monitor the effects of the pricing policies of these various corporations. Yes, Canada's number one industry, agriculture, is indeed in a mess. The egg situation is merely part of the over-all problem as a result of the philosophy of this government which still patterns its policies after the Task Force on Agriculture.

The government is still following the general policy of its marketing bill, Bill C-176, or programs such as Operation LIFT, supply management, and things of that nature. We now hear from the Minister of Finance that agriculture is to be expanded. Ever since the government has taken office it has been attempting to contract agricultural production. Its flip-flop policy has cost the farmers millions and millions of dollars. This is the type of leadership which leads agriculture down the drain, and leads individual farmers to financial ruin.

I now should like to turn to the matter of transportation. It is still a mess. It has not changed one iota since the last session. The government had an election platform which now has been abandoned. I find it appalling that some of the exotic and very aggressive proposals that were advanced during the election campaign have now casually been cast aside. These were proposals conceived in desperation, I suggest.

This situation has been known in this House for many years, but it has been more serious during the time we had the previous minority government. The fact is that we still have discriminatory freight rates. Nothing is being done about that. My party during the election campaign advanced a policy in this regard which we were prepared to adopt had we taken office.

We all know that the trackage and roadbeds in this country require upgrading. There is need for improvement in respect of the safety of our railroad lines. The other day the President of the CNR indicated that we require an expenditure of something in the order of $5 billion to improve our trackage and roadbeds. Does the government intend to do anything about this? The government must provide some of these answers and take action. The President of the CNR in a speech in Montreal the other day said:

> We are beginning to reach the capacity of our rail network and unless we begin immediately on large-scale programs of doubling our main lines in many parts of Canada and increasing the capacity of our yards we will not be able to maintain the level of service we are providing now. This is one of the biggest problems facing the future of transportation in Canada.

[Mr. Mazankowski.]

There are problems. We haven't had solutions. What we require is action. The Canadian Transport Commission and the National Transportation Act need restructuring. Appeal procedures must be changed. The thrust for economic development must be enshrined within the National Transportation Act. Let us see some action now from this government in this regard.

Then there is the question of branch line abandonment. Branch line abandonment is frozen until the end of 1974. What is the future policy of the government in this regard? This government, which has had a mandate since July 8, still has not made an enunciation of policy.

What is to happen in respect of the freeze on freight rates which is to expire by the end of December 1974? What is the situation for the future in respect of the Crowsnest Pass freight rates? Does the government intend to abandon the Crowsnest Pass freight rates? What is government policy in this regard? The producers of this country must have answers to these questions.

What is to be done about the Port of Vancouver? And what is to be done in respect of improved grain handling facilities to which I referred in the question period today? A commitment was made in the Speech from the Throne that steps would be taken to facilitate the movement of grain this winter. To date we have had no answer action in this regard.

Any time the government finds itself in difficulty it speaks of nationalization. Now it is speaking of the nationalization of the grain handling companies, the co-operatives, the Saskatchewan Wheat Pool, the Manitoba Wheat Pool, the Alberta Wheat Pool and the United Grain Growers. These grain handling companies are owned by the farmers of Canada. Because there have been some difficulties in respect of labour-management relations members of the cabinet suggest that the grain handling companies should be nationalized. What is the policy of the government in this regard?

What is to happen in respect of the third air carrier policy? We heard much talk about this during the election campaign. As yet we have not had an enunciation of policy. What about air navigation in the north? We know that air navigation facilities in the north are far from adequate. We have lost too many lives and too much property has been destroyed for us to go along with this inaction of the government.

● (1540)

It is time that we got down to specifics. The government has a majority. It has a mandate from the Canadian people to carry out some of the lofty proposals which it made during the election campaign. Let it get on with the job.

There have been many studies carried out with regard to transportation, particularly in the last 18 months. I should like to remind hon. members that it was this government that allowed railway services to deteriorate. It was this government that failed to provide effective and adequate leadership in transportation policy which is so vital to the economic and social wellbeing of this country. It was this government that created the National Transportation Act which the minister now suggests is ineffective. It was this government which acquiesced in the downgrading and eventual removal of many railway passenger services.

It was this government that discouraged commuter lines, this government that did not accept the recommendation of an all party committee to re-establish railroad transportation in south western Ontario. The mess in transportation is this government's mess. We on this side of the House have just about had enough of the slick talk, the flippancy and the evasiveness that we have read from the Minister of Transport. It is time that we received a realistic answer from him. It is time that the minister took his portfolio more seriously.

I say the same thing to the Minister of Agriculture, and for good measure I will throw in the Minister of Justice. All three of these ministers have tremendous responsibilities.

An hon. Member: And tremendous weight.

Mr. Mazankowski: Those are important and vital fields, but I do not believe these gentlemen are treating their portfolios with the seriousness that is demanded. I urge them to discard their lackadaisical attitude and take a firm hold of their portfolios.

I want to deal briefly with some comments that were made by the Prime Minister in his speech. I think it can be said that he successfully engaged in a ploy to sidestep the real issues facing the country by talking about such things as parliamentary reform, the question period, electronic voting, television in the House, and constitutional reform. While these subjects may be important I do not believe they merit the same attention as some of the urgent social and economic needs of this country. Surely at a time such as this when we have gone through an election, during which the Prime Minister waged a vigorous campaign on the important issues faced by the country, and after experiencing a void of three months, we should have something more positive from him than we did.

The Prime Minister mentioned Bill 22. I want to touch on that matter briefly because I have been receiving a tremendous amount of mail from interested people across this country. I think the Prime Minister owes it to the House and the country to clarify his position more fully. It seems to me that the intent of Bill 22 is to provide a new approach to bilingualism.

Bill 22 as it affects the Official Languages Act is somewhat ambivalent. Under that legislation the application of bilingualism will vary from one province to the other. As the Prime Minister stated, as recorded at page 47 of *Hansard*:

> This government will stand in opposition by all possible means to any legislative or other measures liable to restrict the use on the part of citizens of the official language of their choice.

We have a clear indication from many learned gentlemen, constitutional experts, senior political observers, and many Quebeckers, particularly those whose mother tongue is neither French nor English, that this bill constitutes an abridgement of the rights of minority groups in that they are not allowed to send their children to schools using the language of their choice. I think that that is a very important issue. Perhaps it is part of the whole government attitude toward the ethnic groups in this country. I think this was demonstrated today when the right hon. member for Prince Albert (Mr. Diefenbaker) put his question regarding Valentyn Moroz. He made a serious request, one that certainly could have been honoured by this government.

He simply asked that representatives of the Ukrainian-Canadian Committee and a qualified physician visit Mr. Valentyn Moroz to determine the state of his health. Surely this is not too much to ask for. The minister's reply was that the right hon. gentleman's request was irresponsible. I think this is an insult. It demonstrates the cavalier and contemptuous attitude of the government toward many ethnic minorities in this country. We also see the downgrading of multiculturalism in Canada in the fact that the minister who was in charge of that portfolio was fired and not replaced.

Some hon. Members: Hear, hear!

Mr. Mazankowski: We see it also in the discriminatory immigration laws according to which a central European, particularly one who is living behind the Iron Curtain, cannot legally immigrate to Canada.

I suggest that all these actions demonstrate the blatant contempt of the government for the many ethnic people of Ukrainian and Polish origin, and those from the Baltic countries, and I urge the Prime Minister, the Secretary of State for External Affairs (Mr. MacEachen), and the Minister of Manpower and Immigration (Mr. Andras), to reassess their position in that regard because this country derived its greatness from the melting of many cultures, the result of which is a truly multicultural country.

The issue in Bill 22 in my opinion reopens a festering wound which could be avoided if the Prime Minister simply clarified the government's policy and followed the principles enshrined in the Official Languages Act. I think that if language is fundamental to the preservation of a culture, the restrictions placed upon English in the province of Quebec constitute a step toward the deliberate destruction of the English culture in Quebec. Bill 22 goes against the grain and spirit of the Official Languages Act as well as of the Bill of Rights, and the Prime Minister, as the leader of our nation the author of the legislation, should put forth his position more vigorously instead of stating his regrets about the bill.

Mr. Macdonald (Rosedale): Tell us about the situation of the French in Ontario. Do they have equal rights?

Mrs. Sauvé: I had to write my exams in English.

● (1550)

Mr. Mazankowski: We teach French in Alberta. The best we can say about the Prime Minister is that his position can only be described as one of partial acquiesence.

Mr. Macdonald (Rosedale): Do you have equal rights for the French language?

Mr. Mazankowski: Yes we have but I do not want to fan the flames of emotion, Mr. Speaker. I am simply putting forth my personal views and they may not be the views of my party. I say this with a deep love of this country.

Some hon. Members: Hear, hear!

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

Some hon. Members: Continue.

The Acting Speaker (Mr. Penner): The hon. member may continue, of course, if there is unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Mr. Mazankowski: Thank you, Mr. Speaker, and I want to thank hon. members for allowing me extra time. I shall only take two or three minutes.

I want to talk briefly about the Senate reform that was mentioned in the Prime Minister's speech, and to commend him for some of the proposals he advanced. In my opinion, however, the Prime Minister could be doing Canada a great service by moving to restrict the excessive political participation that some of our senior Senators engage in, particularly in the matter of holding office in their respective parties.

I will not mention any names but I think it is fairly well known that many notable Senators of the Liberal Party engage in vigorous political activity, particularly at election time. I think it is time for Senators to appear as servants of the Canadian people and not servants of the Liberal party. In my opinion the actions of certain notable Liberal Senators constitute a blatant interference with the process of legitimate parliamentary democracy. I would hope at least, even if it is not legislated, that some hon. Senators would think twice before engaging in this sort of activity. Such actions downgrade the performance of the Senate and downgrade the performance of its individual members.

Surely the time has come when we should consider necessary parliamentary reforms. The President of the Privy Council (Mr. Sharp) in his speech described at great length what he though was necessary to accomplish this. If we are to appear credible to the Canadian people, and if this institution is to appear credible, surely steps could be taken to restrict such blatant abuse as we witnessed on the part of some members of the Senate.

Mr. Ralph E. Goodale (Assiniboia): As I begin my brief remarks today I want to extend, as have other members of this House, my congratulations to Mr. Speaker, and those associated with him, on their appointment to office. I am sure it is a great tribute to his electors and to his great abilities that he has been elected to that high office. I know we all wish him well and are confident of his ability to discharge his responsibilities to this House.

When I spoke earlier this week about the urgent problem of the grain handling situation in Vancouver I was a bit preoccupied with that situation and did not have a chance to extend my congratulations. On that topic I am indeed pleased that parliament moved expeditiously to end the tieup at Vancouver. It was a demonstration of this parliament dealing with a situation as speedily as possible. I must admit that in the early stages I was just a little concerned about the possibility of delay through filibuster or some other tactic, but fortunately that did not happen and I think members of this House are to be congratulated.

Particularly, Mr. Speaker, I should like to thank and congratulate the Minister of Labour (Mr. Munro), his parliamentary secretary, and also the government House Leader for the leadership they showed as the legislation moved through the House and in committee. I think enough has been said for the time being on that topic. The grain is beginning to move again and that is good news for all Canadians, especially western farmers.

To all members of this chamber, Mr. Speaker, veterans and freshmen, I want to extend best wishes and congratulations on behalf of Assiniboia constituency. I know the people of my riding are looking forward to a busy and productive parliament.

I do not think I have to provide too much background to this House on the historic constituency of Assiniboia. In almost every parliament it has been a highly visible riding. It has a tradition of vigorous representation and, if I may beg the indulgence of the House, I should like to name some of those who have occupied this seat in this House. There were names like Ross Thatcher, Hazen Argue and, as he is still known in Saskatchewan, Tommy Douglas. They are still a part of that vigorous tradition. Traditionally Assiniboia has not been what one would describe as inconspicuous in this House, and I hope that tradition will continue in some measure at least.

I should like to make special reference in this Throne Speech debate to one particular former member for Assiniboia. He was a very special man and I think he especially deserved the designation "honourable member". He was a tireless worker dedicated to his constituents. He was well spoken and and when he spoke people listened because they knew what was being said had significance. I am sure many members here today, especially those of the class of '68, recall with a keen sense of pride Mr. A. B. Douglas who served Assiniboia so well from 1968 until his untimely passing in 1971.

Some hon. Members: Hear, hear!

Mr. Goodale: Mr. Douglas was indeed a great Canadian and it is a privilege for me to follow him in this place. I suppose it was Ab Douglas more than any other person who demonstrated to me very graphically that this place can work and does work to meet the aspirations of Canadians; that things can be achieved here, and that a member of this House can with success strive toward a better way of life for the people he represents. It was that lesson, and more particularly the example of Ab Douglas, which helped persuade me eventually to get into this business in a full time way myself.

As a new member from western Canada on the government side of the House, Mr. Speaker, I would like to devote most of my time in this Throne Speech debate to a few thoughts about the role which western Canadians are playing in our great confederation, and about the legitimate aspirations which they have—I may say "which we have"—for the future.

It is necessary first of all to look back 100 years or more to the 1860s and 1870s, that bold and early period of nation building. The government of the day devised a total economic scheme to assist in the development of the country in that early period. Sir John A. Macdonald called it his national policy. It included agricultural and industrial

strategies, a tariff structure, the building of a railroad, a system of freight rates and an immigration policy all designed to achieve one end, that of strengthening the fledgling economy of the new country. Central Canada was the core—the core of population and the core of industrial and economic development. The west was seen primarily as a vast storehouse of resources and quite literally the people there were intended to be hewers of wood and drawers of water.

● (1600)

As it was introduced to the House of Commons in the throne speech of 1879, the original national policy consisted of a new and extensive system of tariff protection intended to promote domestic industries and agriculture. It was coupled with plans to press forward with the construction of the transcontinental Pacific Railway, and with the promotion of new settlement in the great northwest.

The basic idea was that the tariffs would create a national market and that the railway would serve that market from coast to coast. The railway was to carry new settlers to farms in the west, and in turn to transport the new farmers' agricultural produce to the east.

Thanks to the tariffs, industry was to flourish in central Canada. That industry was to supply the western demand for manufactured goods, while providing a large urban market for western produce.

Certainly under this arrangement the west was designed to be, in fact, a hinterland—a storehouse of primary resources to be utilized as required by the flourishing industrial east.

The government of the day repeatedly referred to western Canada as its "great empire"—famous and useful for its rich soil, boundless resources and salubrious climate.

That policy, begun in 1879, has been followed for 100 years, until recently. Despite party affiliation, successive governments down through the years have followed it. By and large it remained unaltered. Nobody tried to amend it until our present Prime Minister (Mr. Trudeau) made his attempt to alter it in 1973. You could say that attempt was long overdue. Indeed, it was. I am proud that it was the Prime Minister who is leader of my party who made that decision and took the initiative.

In the summer of 1973 there was convened the Western Economic Opportunities Conference in Calgary, a major historical event for the west and all Canada. For the first time in this country's history a national leader devoted the entire resources of the country to solving the particular and peculiar problems of one region. For the first time in our history there was provision for a full examination of what was wrong and lying at the root of western discontent or, as some call it, western alienation.

For the first time a national forum was established in which the government could study the problem with the political leaders of western Canada. For the first time we were given a commitment from the Prime Minister of Canada that the economic arrangement of things would change. The topics discussed are well known. They included agricultural policy, transportation, financial institutions subject to regional sensitivity, regional industry, growth built on the vast storehouse of natural resources in western Canada, and decentralization of industrial and government operations. As the Prime Minister said, never before have the resources of this country been dedicated, outside of wartime, to a single project like this. Work was done on these topics before the western conference took place. They were discussed at the conference, and work in this area has continued since then.

I know western Canadians are, as I am, impatient for greater changes to come about. We are anxious to see the initiatives begun during the western conference go forward. We are realistic enough to understand that we are dealing with a situation in this country which has persisted for over 100 years and we are not likely to turn the world on its head overnight, or even in a few years. Yet the first steps have been taken, commitments have been made and I am confident that, under its present leadership, the government will honour those commitments. Good progress has been made in the initial stages of carrying out the commitment. There is lots of work ahead and we are all anxious to get on with it.

We need, more than anything, good will and an honest, frank effort on all sides. I am referring to the way in which this country is organized. To overcome our difficulties will require good and honest effort. I ask opposition members of the House to make a special effort and offer constructive assistance, so that work following the initiatives of the western conference may reach fruition, and so that our legitimate aspirations, as raised at the conference, may be realized. I am asking opposition members to depart from patterns of the past. I hope I do not sound critical or negative.

We can attack and change two difficulties whose roots are in the past. First, a great many members from western Canada sit on the opposition side. The situation was somewhat altered in the last election; none the less, to a certain extent it continues as before.

The function of the opposition is to oppose. The difficulty is that Canadian people watching this chamber or listening to press reports of its debates—indeed, this applies to members of the press gallery who report our proceedings—may be under the impression that western Canadians are negative and critical. Such an impression does not advance our cause, especially if we want it to be known that something is wrong and needs changing. If change is to come we must have the co-operation and active assistance of people in all parts of this country. They may not be favourably disposed to offer that assistance if they constantly see western Canadians carping, offering negative criticism and, if I may say so, frequent cheap shots.

To give a specific example, Mr. Speaker, we have seen much press criticism of transportation. The government is blamed as much for snowfall in the Rockies as for problems relating to freight rates. Members can criticize freight rates legitimately, but there is not a heck of a lot the government can do about snowfall in the Rockies. Yet the people of Canada hear criticism offered under these two heads with equal vigour. The impression of the people may be that it is difficult to raise legitimate questions about legitimate grievances, and there are some.

Mr. Paproski: There are quite a few in Alberta.

Mr. Goodale: Indeed, there are. If we enlist the co-operation of all Canadians in solving our problems we may succeed. But we will not gain their co-operation if we fail to explain our problems.

An hon. Member: You don't understand what you are saying.

Mr. Goodale: Mr. Speaker, if hon. members criticize the government as severely for snowfall as they do for our freight rate structure the government may move more quickly with regard to the snow problem but this, I suggest, would not be of much advantage to western Canada.

An hon. Member: Have you mentioned your ideas to the minister?

Mr. Goodale: I have, indeed, and I found him very receptive. If we want the rest of Canada to understand us, let us try to be constructive and positive in the ideas we put forward, and not always display attitudes which are negative or critical. Western Canadians are not negative and critical by nature, but constructive and positive. They want to build this country and be part of it.

● (1610)

I want to talk now about the opposition's attitude to this question of "selling the case". Again, it has to do with getting the co-operation of our fellow Canadians. To whom should we be selling our case? Since the benches opposite contain a goodly representation from western Canada, the opposition could be very much of assistance. Do we need to sell it in Manitoba, or in Saskatchewan, or in Alberta, or in British Columbia? I suggest not. The selling job, the information job, the arguments, have to be presented in Ontario, in Quebec and in the maritimes because these are the provinces we are asking for co-operation.

Where have most of the speeches made by the western members of the opposition been delivered in the last few years? Had a tally been kept I suggest it would be clear from an examination of the record that most of the speeches were made in western Canada. Madam Speaker, we in western Canada know what the problems are. There is no need for us to hear an explanation. The efforts of honourable members opposite would be more profitably spent if they were to devote their time informing the people of eastern Canada, and the rest of the country, why we need those adjustments in freight rates, why we need a better balance of industrial distribution, why we need regionally-sensitive financial institutions.

When we make this case to our fellow Canadians, and make it clearly, they are prepared to act. I ask the opposition to assist me, because I propose to take up that task. It is important for Assiniboia, and I hope to get the co-operation of my fellow members opposite, especially those who come from western Canada, in explaining our case to the rest of the country, because they will not understand that case until they know what it is.

I ask the opposition to take part in this new approach, because the government of which I am proud to be a supporter is determined to strive toward the achievement of a new role for western Canada—it really amounts to a new national policy—to see that we come close to meeting the needs and legitimate aspirations raised at the Western Economic Opportunities Conference.

[Mr. Paproski.]

The government, as I have said, is determined to succeed. Why? It is because the government, under the present Prime Minister has recognized more clearly than any other administration in Canada's history that strong, full and fair participation from each region of the country makes confederation strong, and makes Canada a better place in which to live.

I invite hon. members opposite to share that eventual success, because the effort will, indeed, be successful. Having seen the government in action during and since the Western Economic Opportunities Conference, and having been associated with some of the work which has gone on, I may say there is one thing which perhaps more than any other helped me make up my mind to run in the last election and become a supporter of the government. I believe it has been demonstrated that it is not a matter of sheer numbers or political power that guides the decisions this government makes.

Some hon. Members: Oh!

Mr. Goodale: I have found—and this is demonstrated in the case of western Canada—that it is a matter of Canadians putting their ideas together reasonably and fairly. These adverbs are, perhaps, difficult for the opposition to keep in mind. Nevertheless, as I say, it involves Canadians putting their ideas together reasonably and presenting a case fairly to the government. The government, for its part, has demonstrated a willingness to listen whenever a case is made both fairly and reasonably, and a willingness to—

Mr. Reynolds: To study the question.

Mr. Goodale: —to take action to solve the problems. I submit that since action is to be forthcoming we need not be negative, carping or critical, but rather emphasize the positive and the constructive, and the opposition can contribute greatly to that job if they choose to do so.

Mr. Reynolds: We shall study it.

Mr. Goodale: Go right ahead. You will be where you are for many years to come.

I wish to conclude by saying to the House that I expect results from this parliament. I am very optimistic about what can be achieved here if we approach our task in a spirit of co-operation, and I believe that western Canada particularly can look forward to productive action in the years ahead.

Mr. J. P. Nowlan (Annapolis Valley): Madam Speaker, it might seem rather strange to you, who so gracefully graces the chair, but though I have been in this chamber many times before, this is my first speech in a debate in reply to a Speech from the Throne. I don't intend to ask that the House extend to me the generosity it usually affords other uninitiated members of this chamber, for some of the matters I intend to raise may provide the odd reply or two. If they do, that is just part of the stimulation or purpose of this chamber.

An hon. Member: Hear, hear!

Mr. Nowlan: At the outset, as others before me have done, I sincerely want to congratulate one of our own on his elevation to the Chair. The Prime Minister (Mr. Trudeau) has recognized the work he has done in this chamber in the past, and also—and I think this is more important—the potential he has for the future in this chamber. The position held by the Speaker is one of great importance to the proper functioning of this institution. There has to be balance and impartiality from the Chair because without it the House would soon get out of tune, and from the discord of debate, chaos and confusion would result. Further, if the chamber were allowed to get out of tune too much it would lose touch with the people and with the reality of this land.

I also wish to congratulate the mover (Mr. Duclos) and the seconder (Mr. Lee) of the Address in Reply. They are two new members who certainly acquitted themselves well and showed great promise for the future. In congratulating them, I am sure that I and other members are really congratulating all the new members who are contributing to this debate.

I think it can be fairly said from the speeches we have heard in the last few days that all the new members—the new class of '74 on both sides of the House—have acquitted themselves well and in a most constructive way. This not only augurs well for their own political future, but it augurs well for the future of this chamber. They displayed a delightful blend of idealism mixed with political reality.

● (1620)

This necessary mixture after every election, infusing those who have been here before with the idealism of newcomers, gives us the potential for some of the juice that is necessary to give balance and new vitality to this time-weathered legislative institution.

Who knows, Madam Speaker—their energy and enthusiasm may even give new direction and relevance to this place. Let us not kid ourselves; we can do with a few changes around here. I was hoping for some more fundamental changes than occurred as a result of the July 8 election, but we live with the verdict of the people. Certainly I predict that after four years in this thirtieth parliament—and I also feel that since July 8 the same can be said—a lot more people in Canada will be wishing there had been a more fundamental change on July 8, and that the government opposite—not hon. members opposite but the government—which is so encrusted with the status quo and inhibited with graduates from the public service who have entered the ministerial ranks, had the potential, imagination and initiative to help resolve some of the fundamental problems facing the country. I predict that before the thirtieth parliament is over many more Canadians will wistfully yearn in retrospect that the change had been more fundamental.

Leaving aside the basic issue of which government is in and which government is out, I could almost put myself in the shoes of a new member. There are a few trappings around here in the pomp and circumstance that initiate a parliament that I think should be changed, and that are long overdue for change. Such a change would not substantially affect the deliberations of this House, but could go a long way toward bringing a tone and temper to this place.

There are pundits in the gallery, and sage philosophers across the land who come and look down on this chamber, write screeds upon screeds and reams upon reams of rhetoric about some of the inconsistencies, irrationalities and irrelevancies of this place. I must admit to those who have finally made it here, seeing it from the floor of the House and not from the gallery, that some of their perspectives might be emancipated.

Be that as it may, a throne speech debate after an election is for eight days an interesting time for all of us. The new members mix and meet with old members and with the officers of the House, and we all hear the different viewpoints of members on all sides of this institution. This institution is the personification of this land. It is the only institution wherein at one time you can say, in an allegorical way, that this country has a heart consisting of 264 vessels and with all the imperfections of any heart—with I suppose a little scar tissue around somewhere, and perhaps a little blockage of the arteries and veins. Nevertheless, this is one place where the representatives of the people can meet.

I think it is very necessary that we go through this so-called baptism of members, who sit here listening to others and begin to appreciate that there are obvious differences of opinion. Even though we do have the odd catcall from side to side those differences of opinion are based on a sincere belief that a particular point of view is perhaps a little better in resolving a problem than another point of view.

All of us are here to try to resolve in a collective way some of the basic issues confronting this land. I think it takes eight days for us to put our feet in the water before we start to swim along the channel of this thirtieth parliament in which we will all be working and fighting together over the next three, four or five years. An eight day throne speech after an election is a necessary and interesting vehicle that enables us to understand each other.

I must say I do question in terms of procedures whether it is necessary to have a speech from the Throne between sessions during the life of a parliament, when we have all got to know each other, when the issues are lined up and when we have started to debate legislation. In the last parliament I think there was a curtailment of that debate because there was not the necessity to explore and try to get the tone and temper of the land by listening to speeches in this chamber.

I should now like to come to a few oddities that, frankly, have always amazed me. We can begin by looking at some of the pomp and circumstance of this place. Some of this pomp and circumstance is based on the reality of history. For example, we see the Speaker designate dragged from the back benches by the Prime Minister, who puts his arm through the Speaker's arm and drags him, protesting, to the Chair. When I first came here I thought that was rather ridiculous, and did not appreciate it until recently. This whole performance goes right back to the days when the King used to chop off the head of the Speaker if he did not agree with him, he being the spokesman for the commoners of the land.

Then there are other forms and trappings which to me, Madam Speaker, have developed a sterility of ritual, where the conditioned response replaces any thought or reason. One is that which begins the proceedings of this House. I refer to the convoluted prayer which daily begins our proceedings and, in its attempt to cover all, as far as I am concerned, stimulates few, if any. I wonder whether a simple moment of silence for others, or a simple prayer for Canada, would not be more appropriate than the present litany that we "listen to" with our ears closed.

We then have the performance given by Black Rod. He has to knock to come in, because the last King that walked into a Commons chamber lost his head. I think the representative of the King—which in effect he is—should knock. I must say in times gone by I have watched the procession from the door to the Chair with the "Black Rod tango" of seven steps and a bow, seven steps and a bow. I find that difficult to rationalize.

Frankly, I think this business that we go through of receiving a message from the Governor General signed by his own hand, as a result of which we all jump up like puppets, like marionettes, is unnecessary. I suppose there is reason for it. I suppose it is respect for the sovereign, who is the soul of the land. We are the heart of the land. Perhaps there is some other force that goes on in perpetuity. We do not; we come and go with elections, but the sovereign of the land does not. I know other members make the odd grimace when we receive a message signed in the Governor General's own hand and we all have to stand and go through this little ritual.

These are a few of the things that have assaulted my sensibilities, and I think at times the sensibilities of others too. This sort of thing makes me really question how relevant it is today. If we have this kind of blind vision on some of the little things, we require tunnel vision on some of the big things.

Obviously, Madam Speaker, I want to talk about the Speech from the Throne and to make reference to a few things referred to by the Prime Minister (Mr. Trudeau). I only wish the Prime Minister had had the intestinal fortitude to say on the campaign trail what, in effect, he said in this House in his one hour and 20 minute speech. I suppose from his point of view it was one of his more interesting speeches, certainly one of the most interesting speeches I have heard him give in this House.

● (1630)

I find it insulting to the nth degree that having fought an election campaign during which the economy was an issue—and this is something that affects all Canadians regardless of their station in life—the Prime Minister mentioned the word "inflation" only once during his speech. I think that is borne out by the record.

I think the Prime Minister's speech was more interesting in respect of what was left out than what it contained. In any event let us start with what he did say, because I want to cover this matter and deal with some of the problems facing the Department of Transport and Communications. If I have time I should also like to describe the virtues and the beauties of the riding I have the great privilege to represent.

[Mr. Nowlan.]

In the eyes of even those hon. members from other parts of the country, the Annapolis Valley is the most beautiful riding in Canada. Every member expresses a similar view about his own riding, but I assure you that I felt that way about the Annapolis Valley before becoming a member of this House, and I will feel the same way long after I have left. To anyone who has travelled in the east I am sure that the Annapolis Valley, whether it be in the spring, summer, winter or fall, is beautiful to the eye. The people there are most intelligent and some of the most emancipated in this country.

Mr. Stanfield: You've only got two hours!

Mr. Nowlan: My leader says I am limited to two hours so I had better get on with my remarks and leave that until later. Let me refer to some of the things the Prime Minister said in his speech on the Address in Reply. I have listened to other speeches he has made during throne speech debates in the past, and I remember particularly his speech in 1968.

The Prime Minister talked about reform of the rules of this House. That is a popular phrase among laymen one meets around the House. Of course there has to be reform. If we do not maintain reform of our own rules and procedures as an ongoing process, making things more relevant, we are not doing our duty. I commend the Prime Minister for focussing some attention on this matter.

I was here in 1969 following the election of another majority parliament in 1968. The present Minister of Energy, Mines and Resources (Mr. Macdonald) was then the House leader. He was popularly known then as "Thumper", probably because he went around trying to thump members of the opposition into accepting rule changes. Those rule changes resulted in a very acrimonious debate, particularly in respect of Rule 75A, 75B and 75C. Those members who were here then will remember that we fought against those rules long into the summer because we felt this was not reform but de-form of the House of Commons. We felt that the proposed rules would emasculate this place and that members would become political eunuchs in terms of any real contribution they might make here, on the floor of the House or in committees.

Some members I am sure feel we have made some good changes to the rules. There was a fundamental change in 1966 which, I suggest, adversely affected the rights and privileges of members of this House. I have in mind the change that resulted in the estimates of the various departments being considered by committees.

Before the change hon. members could question ministers about certain items of expenditures that had a direct bearing on their constituencies. At that time a member could get an answer under the threat of refusing to pass the estimates of a certain department. A member might not agree with the answer he received, but at least that was a step in the right direction. The member could then confront the minister with his answer six months or a year later, with the hope that something constructive would be accomplished. In any event the estimates were taken out of the House and I suggest this was a retrograde step.

The Prime Minister's reference to reform bothers me because of something I recall very distinctly that took

place following the debate in 1969. The Prime Minister held a press conference summarizing the activities of that parliament. I cannot quote his exact words, but the reports indicated that the Prime Minister smiled and laughed when saying that he had certainly sucked in members of the opposition by asking for massive reform. He went on to indicate that after a long, protracted and acrimonious debate, which finally ended in a form of closure, the opposition accepted something else.

I am a bit worried when I am faced with that frame of mind on the part of the leader of the government. This is the same Prime Minister who a few years ago said that parliamentarians were nobodys. I suggest it is not surprising that many members of this House are suspicious about this type of reform. We must examine this whole matter of reform carefully before we unilaterally and fundamentally change some of our procedures.

Before we go too far down the road of parliamentary reform we should have the opportunity to express our opinions about the suggestion that we should allow television coverage of our procedures here. I personally believe that if we can resolve this question about television coverage in the House we will have taken a great step in the direction of making this place relevant. Perhaps in this way we can do more than has been done in the past by changing the rules.

Whenever one mentions the word "television" in the context of parliamentary procedure people begin to talk about the ham in everyone coming out. They say that everyone will be vying for position. I suggest that television coverage will prevent a lot of hocus-pocus on the part of members quicker than any change in the rules. It would effectively unmask the clowns and uncloak the fools. I think television coverage would result in every member of the House acting a little more like he does when he is at home, and would result in better attendance here than at home. Incidentally, hon. members are not often at home because they are either here in parliament or travelling around their ridings carrying out constituency business.

I think all the arguments that can be made against television coverage were made in the British House in 1737 in opposition to the presence of the quill, a reference to the reporting of those debates. At page 278 of the British parliamentary debates of 1737 to 1739 we find the following reference, and I might add that this is in a sort of old English, perhaps a bilingualism of that time. Someone was apparently reporting a speech in the House, and this is the report we find:

After which Mr. Speaker informed the House, that it was with some Concern he saw a Practice prevailing, which a little reflected upon the Dignity of that House: What he meant was the inserting an Account of their Proceedings in the printed News Papers—

I should point out that this reference contains some strange letters such as "f's, p's, ff's" and others. What he was referring to was an insertion of a printed report in the newspapers of the day. How long has television been with us; some 10, 15 or 20 years? The complaint to which I referred was in reference to printed newspapers. I like to complain about the press from time to time, but they do attend this place and write their reports. We have learned to live with the situation, the same as I suggest we will have to learn to live with television coverage.

Referring to these proceedings of the British parliament again it states:

—he had in his Hands a printed News Paper, which contained His Majesty's Answer to their late Address, before the same had been reported from the Chair, the only way of communicating it to the Public. That he thought it his Duty to inform the House of these Practices, the rather because he had observed them of late to have run into very great Abuses; and therefore he hoped that Gentlemen would propose some Method of stopping it.

Good gracious me! I suppose they thought this would likely give a false impression of how the gentlemen conducted themselves. I do not know if television coverage will give a false impression of the conduct of members in this House, but I suggest it will certainly focus the camera on this Chamber, as a result of which we will not be able to conduct ourselves in the manner that some of us have in the past. I for one believe it would fundamentally change the character of this place. It would certainly shorten debates. It would stop repetition. If a member got up and stumbled through his speech he would have something to think about as he might be on television that evening. Some of the catcalling, which I sometimes enjoy getting involved in, would have to be conducted with discretion.

Perhaps I should not waste my entire time on this subject, but I suggest that what was said during that debate in 1737 is relevant to any debate now in respect of television coverage. It is time we came back to the 20th century. That was reform in reverse.

● (1640)

I have many more things I wish to say but I do not know how much time I have remaining. I should like to mention something that is causing concern on all sides of the House. I do not think the Prime Minister appreciates this. In 1968 when he obtained a majority he was clear during the election campaign on two things. One was regional disparity. He said he would do something about it. The other was the official languages bill. He made it clear that if he were elected something would be done. Something was done. At that time he had a mandate.

However in 1974 there was no mandate to the government on any issue because the Prime Minister did not talk about an issue. All he did was promise this and that. He promised material things. He did not make promises in respect of philosophical issues or even economic issues which could be disturbing to Canadians. I think there is a real difference between what the Prime Minister did in 1974 compared with what he did in 1968-69.

On another occasion, because my time is running out, I should like to speak about the matter of transportation and communications. The Prime Minister did not mention much about that, or about bilingualism during the election campaign.

As I cross the country and travel around my constituency I find that people ask me to rationalize the situation in respect of Bill C-22. They wonder, when there is unilingualism in one part of the country, how bilingualism can be developed in the federal structures of the country. I find this question difficult to answer. There are other elements of this on which I should like to elaborate at some other time.

However, I should like to ask members of the House to go back to the debates on bilingualism in 1968. At that time the Minister of Finance (Mr. Turner), the Prime Minister, my leader, all leaders and most members who spoke on the Official Languages Bill adopted the very necessary principle in that bill, but the understanding was that there would be institutional bilingualism and not necessarily individual bilingualism. That is not merely a semantic difference. I believe in and I voted for the right of any person, whose tongue is either English or French, to be able to communicate or correspond with any bureau of the federal government in either native tongue.

The shift, however, has gone from institutional bilingualism as such. For instance, we might take the example of the unemployment insurance office in the Annapolis Valley where there were bilingual districts when I was the member for Digby-Annapolis-Kings. Let us suppose the language composition was 80-10. Obviously a federal institution to serve that area should be staffed roughly in the same ratio. This does not mean that every person in that office should be bilingual, because that would be an impossibility, just as it would be very difficult in any area outside the central part of this land. I say this same situation is applicable across the country.

In the west where there are other language groups, such as German or Ukrainian, a quota system is being established so that there are people available to service different language groups at federal offices, whatever those offices might be. I notice that the former President of the Treasury Board is present today. I think he has a dual ministry now. I heard him say first that there would be red circling of 25,000 positions. Then later he said that there might be 50,000. Then again he admitted he was not sure how many.

Then, having said that, the minister said the easy thing. He said that after all since there were 50,000 positions in the public service one should not really complain about 4,000 or 5,000 of them. But when the designations and red circling involved bilingual positions, complaints were heard. I think the shift should be reversed.

In conclusion may I say that in my opinion Bill 22 is substantively bad. We may unfortunately see the bench mark of real linguistic development in this land because Bill 22, as it presently stands, puts the lie to the Prime Minister's campaign in 1968 when he refused to accept that there were two nations, and misrepresented our deux nation position.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, since this is the first time I have risen in my place to address this chamber I wish to take this opportunity to offer my congratulations to the Speaker on his elevation to that position. I want to assure the Chair that at all times it will have my co-operation in its performance of the arduous duties that lie ahead. I should like to ask the forbearance of this House until I have become familiar with its rules and procedures.

I wish also to congratulate the mover and the seconder of the Address in Reply to the Speech from the Throne for the masterful job they did in their maiden speeches in this House. Through you, Madam Speaker, on behalf of myself and my constituents, I should like to express my pleasure at the progress His Excellency the Governor General is making in his convalescence. We wish him a speedy and full recovery.

One of the best known public figures in our nation is the dean of this House, the right hon. member for Prince Albert (Mr. Diefenbaker). I want to tell him how pleased I am to be here to hear him and watch him perform in this House. While I do not often find myself in agreement with his opinions I know he holds and expresses them with conviction. For that attribute, and for his dedication and service to our country and its well being, he has my respect and admiration. May I express to him and to his loyal and gracious wife my wishes for many more years of health and happiness.

I should also like to express my admiration for one other member of this House before I get to the main part of my maiden speech. I refer to the hon. member for Winnipeg North Centre (Mr. Knowles). He is known across the land as the embodiment of what a parliamentarian is supposed to be. He has made himself the formal expert on the House itself. I shall not hesitate to call on him for advice in trying to understand how the House functions because I must confess that at the present time it is rather puzzling to me.

● (1650)

I also want to express my great joy at becoming a member of the House, which I consider to be the noblest of Canadian institutions. It is an honour for which I must express gratitude to our party and its leader, the right hon. Prime Minister (Mr. Trudeau). But, most of all, I must express my gratitude to the electors of Northumberland-Miramichi for their expression of confidence in me to represent them in parliament. The people of my constituency are well known for their friendliness and hardiness, and it is indeed my privilege to be their representative here.

The constituency which I represent occupies much of the watershed of the Miramichi river and its tributaries, as well as the parishes of Carleton and Acadieville in Kent County, New Brunswick. The Miramichi river is famous the world over for its abundance of fishing opportunity, particularly for Atlantic salmon. Because of the importance of the fishery to the economic wellbeing of my constituents I am very pleased that the Prime Minister has, in fulfillment of an election promise, appointed a Minister of State responsible for Fisheries (Mr. Leblanc), and I am particularly gratified that the position is occupied by a fellow New Brunswicker.

The hon. member for Westmorland-Kent is well known for his ability, forthrightness and integrity. He has a difficult task to perform in devising policies that will answer the increasing demands of our population and those of the rest of the world for consumption of fish and fish products, and at the same time conserve fish stocks for future generations. In my judgment, that is an essential part of his mandate, but it is no easy task. I wish to congratulate my colleague and assure him of my support and co-operation.

I am also gratified that the federal government has undertaken a hydraulic study of the Miramichi river and bay to determine the engineering and economic feasibility

of dredging the channel to allow larger vessels to proceed up the river to the towns of Chatham and Newcastle. I hope that this study will prove that dredging is feasible. If such is the case I shall expect the work to the carried out forthwith. The dredging of the channel is of utmost importance to the economic wellbeing of our area, so that its products may be moved on to the markets of the world at a transportation cost that is not prohibitive.

Although I am fortunate to live in and represent the area I do, we are not without problems. For many years the future of the ammunition depot, CFAD Renous, has been in question. After my election I asked the Minister of National Defence (Mr. Richardson) to make a public announcement regarding the present and future status of this installation so that the employees there would be able to plan their future in an orderly fashion.

On August 23, 1974, the minister announced that CFAD Renous would close on September 1, 1978, and that the closure would be accomplished through a series of lay-offs spread over four years. The minister also committed his department to making every effort to ease the hardships by finding alternate employment for those who will not be eligible for superannuation without penalty. Most of those employees are veterans of world war II and the Korean war. Therefore, I strongly urge that Her Majesty's government consider, on an emergency basis, a satisfactory solution to this serious problem.

We cannot afford to lose an establishment which brings $2.5 million worth of economic opportunity into a rural area where other job opportunities are practically non existent. Since this situation has been brought about by a government decision, I hold the government responsible for showing initiative in solving the problem.

We are still plagued in northeastern New Brunswick with a woeful lack of television and radio production and transmission facilities. Indeed, to my knowledge New Brunswick is the only province in Canada that lacks of CBC owned facility. Northeastern N.B. is now served by Moncton Broadcasting Limited, operating on channels 7 and 12 whenever they are able to overcome technical difficulties. On September 27 the CRTC handed down a decision according to which the New Brunswick Broadcasting Company would provide CBC programming to northeastern N.B. on channels 12 and 7, while Moncton Broadcasting would provide CTV programming on channels 4 and 6.

But to the consternation of everyone in my constituency, CRTC has allowed these two companies a full year to work out the arrangements for the one to compensate the other for channel transfers. The same decision forbids the construction of the required facilities until a compensatory solution has been achieved. It appears then that the television service for northeastern N.B. is still two years away, and that is not satisfactory. At the same time that entire area in N.B. is without FM radio reception. I hardly knew before I came to Ottawa that one could listen to a radio station that was not 80 per cent commercials.

Many other proposals in the Speech from the Throne will improve the lot of my constituents. I was happy to hear the Minister of Consumer and Corporate Affairs (Mr. Ouellet) state in this chamber last week that he wants to increase protection for the consumer. I subscribe to his view that those who rip-off the little man for the sake of unfair corporate gains should be sent to prison. Surely they are as criminal as those who break the game laws. If the little man stole from the corporation presidents, he would very soon find himself before the courts. Justice must be even handed, and I have no sympathy for those who gouge the public.

I am sure that the veterans of this nation will be relieved to learn that their benefits will soon be increased, as will those receiving old age security benefits. I hope that the Minister of Veterans Affairs (Mr. MacDonald) will be able to find a way to speed up the deliberations of the Canadian Pension Commission. It is small consolation for a needy veteran to be told he will probably get a pension in six or eight months when the commission gets to his application. I do not intend this to be a criticism of the commission. I am sure its chairman and members are sincere and sympathetic individuals doing their jobs as best they can. I only hope that we can find a way to expedite the processing of the application.

Some hon. Members: Five o'clock.

The Acting Speaker (Mrs. Morin): The hon. member can call it five o'clock. It being five o'clock this House stands adjourned until Tuesday, October 15, at eleven o'clock.

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

HOUSE OF COMMONS

Tuesday, October 15, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL DEFENCE

TABLING OF LETTER FROM GENERAL DEXTRAZE TO MEMBERS OF FORCE

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as agreed in the House on Friday, I am pleased to table, in English and in French, a message from the chief of the defence staff, General Dextraze, to the Canadian armed forces, dated September 1974.

* * *

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING INTRODUCTION OF PUBLIC BILLS ON ORDER PAPER

Mr. Speaker: May I refer to the practice which has been followed with regard to the introduction and first reading of private members' public bills. On today's order paper there are listed some 158 bills standing in the names of various hon. members. It was neither practical nor possible for the Chair to review the provisions of each of these bills. May I therefore suggest to the House that we adopt the procedure agreed upon in the past several sessions, namely that we proceed to the introduction and first reading of those bills so that each may be scrutinized between now and its being called for second reading in order to allow the Chair to consider whether there is any defect in the bills in respect of the practices and usages of the House.

I suggest that by unanimous consent all public bills listed in the names of private members for introduction on today's order paper be deemed to have been introduced, given first reading and ordered to be printed, and to stand for second reading at the next sitting of the House, subject of course to a subsequent examination as to the regularity of each bill. Is the procedure to which I have referred agreed to by the House?

Some hon. Members: Agreed.

PRIVATE MEMBERS PUBLIC BILLS

FIRST READINGS

Bill C-201, to amend the Bank of Canada Act—Mr. Caouette (Témiscamingue).

Bill C-202, to amend the Canada Pension Plan (housewives' contributions and benefits)—Mr. Saltsman.

Bill C-203, to amend the Criminal Code (loan sharking)—Mr. Robinson.

Bill C-204, to establish the Office of Ombudsman—Mr. Reid.

Bill C-205, to amend the British North America Act, 1867 (abolition of the Senate)—Mr. Knowles (Winnipeg North Centre).

Bill C-206, to amend the Inquiries Act (publications of reports)—Mr. Alexander.

Bill C-207, to amend the British North America Act, 1867 (tenure of place of Senators)—Mr. McKinnon.

Bill C-208, respecting Heritage Day—Mr. MacGuigan.

Bill C-209, to amend the Canadian Citizenship Act (minimum residence requirement)—Mr. Prud'homme.

Bill C-210, to provide for the protection of domestic animals while in transit—Mr. O'Sullivan.

Bill C-211, to amend the Broadcasting Act (advertising on children's programs)—Mr. McGrath.

Bill C-212, to amend the Unemployment Insurance Act, 1971—Mr. Oberle.

Bill C-213, to amend the Canada Elections Act (publication of the result of opinion polls)—Mr. Coates.

Bill C-214, to amend the Electoral Boundaries Readjustment Act—Mr. Lambert (Edmonton West).

Bill C-215, respecting the Central Mortgage and Housing Corporation Act—Mr. Fleming.

Bill C-216, respecting Crown corporations (not agents of Her Majesty)—Mr. Fortin.

Bill C-217, to amend the National Trade Mark and True Labelling Act (octane rating of gasoline)—Mr. Francis.

Bill C-218, to provide for the establishment of an Indian-Eskimo Employment Authority—Mr. Watson.

Bill C-219, to amend the Criminal Code (abortion)—Mr. Beatty.

Bill C-220, to amend the Criminal Records Act—Mr. Rynard.

Bill C-221, respecting National Youth Appreciation Week—Mr. Reynolds.

Bill C-222, to amend the Canada Elections Act (prisoners enfranchised)—Mr. MacDonald (Egmont).

Public Bills

Bill C-223, to amend the Criminal Code (domestic and foreign flags)—Mr. Hopkins.

Bill C-224, to amend the British North America Act, 1867 (National Capital of Canada)—Mr. Isabelle.

Bill C-225, respecting the right of the public to information concerning the public business—Mr. Baldwin.

Bill C-226, to provide for the constitution of a Federal Transport Commission of Inquiry (impartial investigation of transport accidents)—Mr. Forrestall.

Bill C-227, to amend the National Housing Act—Mr. Carter.

Bill C-228, respecting the Electoral Boundaries Readjustment Act—Mr. Douglas (Bruce).

Bill C-229, respecting the Electoral Boundaries Readjustment Act—Mr. Lachance.

Bill C-230, to amend the Criminal Code (obscene broadcasting)—Mr. Towers.

Bill C-231, to amend the Holidays Act—Mr. Herbert.

Bill C-232, to amend the Canada Elections Act (proxy voting)—Mr. Horner.

Bill C-233, to amend the Canada Evidence Act (incriminating statements)—Mr. Orlikow.

Bill C-234, to amend the British North America Acts, 1867 to 1965 (Yukon and Northwest Territories Senate Representation)—Mr. Nielsen.

Bill C-235, to amend the Old Age Security Act—Mr. Whittaker.

Bill C-236, to amend the Unemployment Insurance Act—Mr. Rodriguez.

Bill C-237, to amend the Canada Labour Code (fair employment practices)—Miss Nicholson.

Bill C-238, to amend the Identification of Criminals Act—Mr. Blais.

Bill C-239, to amend the Supreme Court Act (private citizen's reference)—Mr. MacKay.

Bill C-240, respecting Sir John A. Macdonald Day—Mr. Macquarrie.

Bill C-241, to amend the Criminal Code (cruelty to animals)—Mr. Robinson.

Bill C-242, respecting relief to non-smokers in transit—Mr. Robinson.

Bill C-243, to amend the Canada Pension Plan—Mr. Saltsman.

Bill C-244, to amend the Interest Act—Mr. Robinson.

Bill C-245, to amend the Criminal Code (cautionary label on alcoholic beverages container)—Mr. Robinson.

Bill C-246, to amend the Criminal Code (tire safety)—Mr. Robinson.

Bill C-247, respecting noise in factories—Mr. Robinson.

Bill C-248, respecting the control of lobbying—Mr. Robinson.

Bill C-249, to amend the Canada Labour Code (provision for ten general holidays with pay)—Mr. Knowles (Winnipeg North Centre).

[Mr. Speaker.]

Bill C-250, respecting the designation of the Speaker of the House of Commons as the Member for the Electoral District of Parliament Hill—Mr. Knowles (Winnipeg North Centre).

Bill C-251, to amend the Department of the Environment Act (fisheries)—Mr. McGrath.

Bill C-252, to establish a universal emergency telephone number—Mr. Robinson.

Bill C-253, to provide for the establishment of a Canada Sea Coasts Conservation Authority—Mr. Watson.

Bill C-254, respecting the control of lobbying—Mr. Reynolds.

Bill C-255, to establish a universal emergency telephone number—Mr. Reynolds.

Bill C-256, to amend the Canada Labour Code (increased minimum hourly wage)—Mr. Knowles (Winnipeg North Centre).

Bill C-257, to amend the British North America Acts, 1867 to 1965, with respect to the quorum of the House of Commons—Mr. Knowles (Winnipeg North Centre).

Bill C-258, to amend the Narcotic Control Act—Mr. Reynolds.

Bill C-259, to provide for a national plebiscite on the removal of the abortion provisions from the Criminal Code of Canada—Mr. Reynolds.

Bill C-260, to amend the Canadian Citizenship Act (child born to a Canadian citizen residing outside of Canada)—Mr. Knowles (Winnipeg North Centre).

Bill C-261, to amend the British North America Act, 1867 (appointment of Senators)—Mr. McKinnon.

Bill C-262, respecting the labelling of hazardous household products—Mr. Robinson.

Bill C-263, respecting packaged perishable food—Mr. Robinson.

Bill C-264, to provide for the establishment of the Alaska-Yukon Highway Authority (Alaska Highway)—Mr. Oberle.

Bill C-265, to amend the Canada Pension Plan—Mr. Coates.

Bill C-266, to amend the Old Age Security Act—Mr. Reynolds.

Bill C-267, respecting employment with the Government of Canada not covered by the Public Service Employment Act—Mr. Orlikow.

Bill C-268, to amend the Department of Justice Act (annual report)—Mr. Fortin.

Bill C-269, respecting a proposed association between Canada and the Caribbean Turks and Caicos Islands—Mr. Saltsman.

Bill C-270, respecting packaged perishable food—Mr. Reynolds.

Bill C-271, to amend the Criminal Records Act—Mr. Robinson.

Bill C-272, to provide for the establishment of a Canada-Alaska and Maine Corridors Authority—Mr. Watson.

Bill C-273, to amend the Department of Manpower and Immigration Act (handicapped persons)—Mr. Reynolds.

Bill C-274, to amend the Public Service Employment Act (age discrimination)—Mr. Forrestall.

Bill C-275, to amend the Canadian Citizenship Act—Mr. Andre (Calgary Centre).

Bill C-276, to amend the Canada Advertising Council—Mr. Francis.

Bill C-277, to provide for the prohibition of the killing of polar bears in Canada—Mr. Reynolds.

Bill C-278, to amend the Veterans' Land Act—Mr. Marshall.

Bill C-279, to amend the Canada Elections Act (permanent voters list)—Mr. Reynolds.

Bill C-280, to amend the Canada Labour Code—Mr. Herbert.

Bill C-281, to amend the Bank Act (regulation of excess of loan interest rate over rate of interest on debts payable by bank)—Mr. Saltsman.

Bill C-282, to amend the British North America Act, 1867 (tenure of Senators)—Mr. Herbert.

Bill C-283, to amend the Canadian Citizenship Act (minimum residence requirement)—Mr. Benjamin.

Bill C-284, respecting the continental shelf—Mr. McGrath.

Bill C-285, to amend the Criminal Records Act—Mr. Reynolds.

Bill C-286, respecting trafficking in exotic pets—Mr. Watson.

Bill C-287, to amend the Canada Elections Act—Mr. O'Sullivan.

Bill C-288, to amend the Railway Act (half-fare railway tickets for senior citizens)—Mr. Knowles (Winnipeg North Centre).

Bill C-289, to amend the National Energy Board Act—Mr. Andre (Calgary Centre).

Bill C-290, to amend the Canada Elections Act (permanent voters list)—Mr. Fleming.

Bill C-291, to amend the Broadcasting Act—Mr. McKenzie.

Bill C-292, to amend the Canada Elections Act (advance poll for the handicapped)—Mr. Fleming.

Bill C-293, to amend the Unemployment Insurance Act—Mr. Robinson.

Bill C-294, to amend the Indian Act (voting age)—Mr. Foster.

Bill C-295, to amend the Canada Labour Code (age or sex discrimination)—Mr. Forrestall.

Bill C-296, to amend the British North America Act—Mr. Caouette (Témiscamingue).

Bill C-297, respecting National Hire the Handicapped Week—Mr. Reynolds.

Bill C-298, to amend the Broadcasting Act (equal time to opposition parties)—Mr. Orlikow.

Public Bills

Bill C-299, respecting increased representation for the Northwest Territories—Mr. Firth.

Bill C-300, to amend the Public Service Employment Act—Mr. Francis.

Bill C-301, respecting National Hire the Handicapped Week—Mr. Holmes.

Bill C-302, respecting the presence of the Flags of Canada in both Houses of Parliament—Mr. Schumacher.

Bill C-303, to amend the Immigration Act—Mr. Benjamin.

Bill C-304, to amend the Canada Elections Act—Mr. O'Connell.

Bill C-305, respecting disclosure of credit rating records—Mr. McGrath.

Bill C-306, to amend the Department of Manpower and Immigration Act (handicapped persons)—Mr. Holmes.

Bill C-307, to amend the Canada Elections Act (leave of absence)—Mr. Reynolds.

Bill C-308, to amend the Canada Labour Code—Mr. Oberle.

Bill C-309, to amend the Immigration Act—Mr. Herbert.

Bill C-310, to amend the Canadian Citizenship Act—Mr. Robinson.

Bill C-311, to amend the Canadian Citizenship Act (time off without loss of pay for appearance in Citizenship Court)—Mr. Knowles (Winnipeg North Centre).

Bill C-312, to amend the Railway Act—Mr. Schumacher.

Bill C-313, to amend the Farm Products Marketing Agencies Act—Mr. Francis.

Bill C-314, to amend the Broadcasting Act—Mr. Francis.

Bill C-315, to amend the Prisons and Reformatories Act—Mr. Dick.

Bill C-316, to amend the Electoral Boundaries Readjustment Act (rules)—Mr. Reid.

Bill C-317, to amend the Canadian Citizenship Act (application of equal residence requirement to alien spouses of Canadian citizens)—Mr. Knowles (Winnipeg North Centre).

Bill C-318, to amend the Criminal Code (preventive detention)—Mr. Orlikow.

Bill C-319, to amend the Canadian Citizenship Act—Mr. Benjamin.

Bill C-320, to amend the Holidays Act—Mr. Reynolds.

Bill C-321, to provide for a national plebiscite on the abolition of capital punishment—Mr. Reynolds.

Bill C-322, respecting the international airport at Ottawa—Mr. Isabelle.

Bill C-323, to amend the Harbour Commissions Act—Mr. Reynolds

Bill C-324, respecting the disclosure of financial interests by Senators, Members of the House of Commons and certain other persons—Mr. Knowles (Winnipeg North Centre).

Bill C-325, to amend the Pension Benefits Standards Act—Mr. Guay (St. Boniface).

Public Bills

Bill C-326, to amend the Public Service Employment Act (discrimination as to age or physical handicap or health)—Mr. Herbert.

Bill C-327, to amend the Farmers' Creditors Arrangement Act—Mr. Baldwin.

Bill C-328, to provide for emergency measures to deal with the inflation of prices—Mr. Caouette (Témiscamingue).

Bill C-329, to provide for the establishment of the Office of Archeological Curator for Canada—Mr. Watson.

Bill C-330, to amend the Criminal Code—Mr. Woolliams.

Bill C-331, to provide for a National Emblem for Canada—Mr. Darling.

Bill C-332, to establish the Office of Parliamentary Commissioner—Mr. Reynolds.

Bill C-333, respecting subliminal and similar advertising techniques—Mr. Francis.

Bill C-334, to amend the Criminal Code (young offenders)—Mr. Woolliams.

Bill C-335, proclaiming the Canadian Flag Day a national holiday—Mr. Haidasz.

Bill C-336, to amend the Canada Elections Act (mobile polling stations)—Mr. Munro (Esquimalt-Saanich).

Bill C-337, to amend the Criminal Code (penalty for cattle rustling)—Mr. Marchand (Kamloops-Cariboo).

Bill C-338, to amend the Criminal Code (abortion)—Mr. Robinson.

Bill C-339, to amend the House of Commons Act (Internal Economy Autonomy)—Mr. Lambert (Edmonton West).

Bill C-340, to amend the Unemployment Insurance Act, 1971—Mr. Rodriguez.

Bill C-341, to provide for the establishment of an authority to conserve for public use all abandoned railway lines in Canada—Mr. Watson.

Bill C-342, to establish a Newfoundland Crossing Authority—Mr. Marshall.

Bill C-343, to amend the Canada Labour Code (three weeks annual vacation)—Mr. Herbert.

Bill C-344, to amend the Canadian Citizenship Act—Mr. Jarvis.

Bill C-345, to regulate Trade and Commerce—Mr. Saltsman.

Bill C-346, to amend the Criminal Code (laundering of funds)—Mr. Saltsman.

Bill C-347, to amend the Immigration Act (mental retardation)—Mr. Reynolds.

Bill C-348, to extend the Western terminus of the Trans-Canada Highway—Mr. Anderson.

Bill C-349, to amend the Bail Reform Act—Mr. O'Connell.

Bill C-350, to amend the Canada Labour Code (three weeks annual vacation after three years)—Mr. Knowles (Winnipeg North Centre).

Bill C-351, to amend the Criminal Code—Mr. Ellis.

[Mr. Speaker.]

Bill C-352, to amend the National Housing Act—Mr. Fleming.

Bill C-353, to amend the Broadcasting Act (review of policy decision of C.R.T.C. by Governor in Council)—Mr. Marchand (Kamloops-Cariboo).

Bill C-354, to amend the Canada Labour Code (discrimination as to age or physical handicap or health)—Mr. Herbert.

Bill C-355, respecting the sale of firecrackers to minors—Mr. McGrath.

Bill C-356, to provide for the establishment of the Office of Parliament Hill Curator—Mr. Watson.

Bill C-357, to amend the Public Service Staff Relations Act—Mr. Orlikow.

Bill C-358, to amend the Canadian Citizenship Act—Mr. Fairweather.

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CIVIL SERVICE INSURANCE ACT

AMENDMENTS TO PROVISIONS RELATING TO CHILDREN AND UNMARRIED WOMEN

Hon. John N. Turner (Minister of Finance) moved for leave to introduce Bill C-26, to amend the Civil Service Insurance Act.

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

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

INDUSTRY

UNITED AIRCRAFT—CONTINUED TRANSFER OF PRODUCTION FROM QUEBEC TO UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I ask leave under the provisions of Standing Order 26 to move the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely the continuing transfer of production from the United Aircraft Corporation in Longueuil, Quebec, to the United States, such continuing action putting into jeopardy all future production in Longueuil and the wasting, therefore of over $70 million of federal grants to that corporation.

Mr. Speaker: The hon. member was good enough to give the Chair the notice required by the rule two hours prior to the beginning of this morning's session. This has given the Chair the opportunity to consider whether the proposed motion comes within the provisions of Standing Order 26.

There can be no doubt, of course, of the importance of the subject matter of the motion. However, in addition to its urgency and importance hon. members will know that

sub-section (5) of Standing Order 26 requires—perhaps it might be worthwhile to quote it as follows:

> In determining whether a matter should have urgent consideration, Mr. Speaker shall have regard to the extent to which it concerns the administrative responsibilities of the government or could come within the scope of ministerial action—

The sub-section goes on to state, and I think these are the important words:

> —he also shall have regard to the probability of the matter being brought before the House within reasonable time by other means.

● (1110)

In view of that language it has become a rather strong practice of the House—and specific reference has been made to this in the past—that only under the most exceptional circumstances should a motion be allowed under Standing Order 26 during the currency of the Throne Speech debate because of the ample opportunity provided during that debate for hon. members or other hon. members of their party to raise subjects of special importance in whatever manner they see fit. Accordingly, I might refer to earlier references, one of January 11, 1956 in which the subject of cash advances on farm stored grain was raised and reported in *Hansard* of that day. This was a motion under Standing Order 26 in which the Speaker of the day made the following comment:

> In my experience it has never happened in the House that while the Speech from the Throne was being currently debated a motion for the purpose of discussing a definite matter of urgent public importance under the new Standing Order 26 was agreed to.

The subject was similarly discussed on February 18, 1972 by the previous Speaker. Without going into the details I would simply give members that reference so that they might look at it. In this situation, the fact that the Throne Speech debate has two more days to run and the fact that although this subject is of a continuing nature and the problem has gone on for some time in the past, would lead me to the conclusion that the remaining days in the address should provide an opportunity to bring the matter to the attention of the government, in addition to which of course there will be available soon opposition days. There is, of course, the availability of today or tomorrow for the hon. member or other hon. members to raise the matter again.

As I say it is a matter of extreme importance. However, under the circumstances I feel the final words in subsection (5) of Standing Order 26 would make it impossible for the Chair to give the hon. member the right to proceed at this time.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

EUROPEAN ECONOMIC COMMUNITY—PROPOSED VISIT BY PRIME MINISTER—SUBJECTS TO BE DISCUSSED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister with regard to his visit to Brussels and the Europe Economic Community. I wish to ask him whether there is any change to be proposed in the relationship between Canada and the European Economic Community, and whether he will be presenting any set of specific proposals with regard to the trading and commercial relationships between Canada and the community.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think it is known that the Canadian government has made proposals to the community. They are in the form of an aide-memoire, a proposed type of trade agreement between the community and Canada. Discussions have been going on for many months now. I believe the proposal was made earlier in the year, in February if my memory is correct or perhaps even before that, discussions were proceeding.

The present attitude of the government is to try to keep in balance our desire to enter into relations with the community as a whole but also to keep advancing our bilateral relations with various member countries of the community.

Mr. Stanfield: I have a supplementary question, Mr. Speaker. Is it the intention of the Prime Minister while he is in Brussels to discuss with the European Economic Community and its representatives any methods of aiding the developing countries in their present crisis which was underlined by the head of the World Bank, for example? Does the Prime Minister intend to take up with the European Economic Community any common approach to this problem that is creating such a crisis in the world?

Mr. Trudeau: In my bilateral discussions which I will have, and already have had, with the heads of state this is always a subject matter which I insist upon being on the agenda. I have not yet seen the final agenda with the community itself. I would think it most likely that since I would be discussing it bilaterally that I would also discuss this matter with the community itself.

Mr. Stanfield: Mr. Speaker, is the Prime Minister making specific proposals or simply having a discussion about this subject?

Mr. Trudeau: Mr. Speaker, the specific proposals vary with the subjects. There is of course, as the Leader of the Opposition knows, going forward under the Group of Twenty, headed by the Canadian Minister of Finance, an attempt to work out some mechanism of recycling of funds which are accumulated as a result of the petroleum crisis. We are looking at possible proposals in the area of food which might be made at the World Food Conference. There is no specific proposal that I can put before the House at this time.

EUROPEAN ECONOMIC COMMUNITY—PURPOSE OF VISIT BY PRIME MINISTER

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question for the Prime Minister. He will learn when he gets to Brussels that any chances that Canada once may have had for obtaining special consideration from the European Economic Community have been

dissipated because of his government's attitude toward NATO which is largely made up of the same countries. Is the purpose of his visit not really a public relations exercise to try to divert attention away from the economic problems which the government is facing at home and unable to solve?

Right Hon. P. E. Trudeau (Prime Minister): Do I understand the hon. member to suggest that I should not make this trip to the Community?

Mr. Hees: No, Mr. Speaker, I am not suggesting that at all. I have suggested for the past two years that the Prime Minister should try to repair the perhaps irreparable damage which his government did with NATO in 1968.

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INDUSTRY

UNITED AIRCRAFT—REQUEST FOR ASSURANCE OF REPATRIATION OF WORK TRANSFERRED TO UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): I have a question for the Minister of Industry, Trade and Commerce. In view of the fact that the federal government has provided anywhere from $70 million to $130 million in various forms of assistance to United Aircraft in the last decade, could the minister inform the House whether his department was aware of the work being transferred from Longueuil to the United States during the past nine months by that company and, if so, could he also tell the House if such a transfer violated any agreements with the federal government and tell the House what the government intends?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, if the hon. member had followed these events as closely as did the hon. member for Longueuil, he would have known that the situation had developed last May. Last May he asked me a question in the House and at that time I told him that, yes, I was aware that on a temporary basis certain work had been transferred to the U.S. suppliers, and secondly, that I had obtained assurances from the company that the work would be repatriated to Canada as soon as the strike was over.

UNITED AIRCRAFT—CONTRACTUAL OBLIGATIONS IN RELATION TO WORK DONE IN UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): In view of the fact that the company had transferred roughly 40 per cent of its work to the U.S. plant and planned to transfer some 35 per cent of next year's scheduled production, which seems to me to indicate that they really do not anticipate settling this strike, I ask the minister in all seriousness whether, in the event that the company really plans to shut down its Longueuil operation, do the contractual arrangements made by the government with the company make it possible for the production of that engine, which was developed in a highly successful way in Canada, to take place in the United States independently of the will of the government of Canada?

[Mr. Hees.]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I indicated last week in answer to a question from the hon. member that I hoped to be able to make a further statement to the House with respect to the assurances that I was seeking from the company on both the repatriation of work from both the East Hartford plant and the other suppliers in the United States, and further assurances with respect to the expansion of the Longueuil plant.

I have a letter which I would be pleased to table from the president of the Canadian company which sets out the company's position that the repatriation has been already started, that the company has already taken steps by way of investment in the expansion of facilities, and that it would expect this coming year to be doing more work in that plant than it did in 1973 which was the biggest year ever.

● (1120)

Mr. Broadbent: A final supplementary to the minister, Mr. Speaker. In view of the assertion of the president of that company in Canada that under no circumstances will it accept the Rand formula on labour negotiations, which has been accepted by 90 per cent of the other companies in Canada, could the minister inform the House how he expects the company to carry out its obligation when that would mean there would be no settlement at all in the plant?

Mr. Gillespie: Mr. Speaker, the whole question of the continuing labour difficulties in this plant is of very considerable concern to the government as it is to all members, particularly the hon. member for Longueuil who seldom lets a day go by without bringing it to my attention. I might say, Mr. Speaker, that employment at this plant has been increasing in recent months. This is the reason why the company can give undertakings with respect to the repatriation of the work and the expansion of the plant.

With your permission, Mr. Speaker, I would be pleased to table a copy of the letter from the president of the United Aircraft Company of Canada.

Mr. Speaker: Standing Order 41 allows the minister to table the document at this time, and in fact it is deemed to be tabled at this time.

* * *

[*Translation*]

SOCIAL SECURITY

SUGGESTED AMENDMENT TO CERTAIN PENSION PROGRAMS—GOVERNMENT POSITION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Can he tell the House whether discussions are now under way with the provincial governments with a view to improving welfare legislation and helping more efficiently the handicapped and mentally retarded who until now have been rather sadly neglected?

Hon. Marc Lalonde (Minister of National Health and Welfare): I thank the hon. member for his question. I must say that indeed this matter has top priority in present discussions on the revision of social welfare legislation in Canada. We hope the work will be completed for the month of April next year.

[*English*]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of National Health and Welfare. Can the minister advise the House if the government, in consultation with the provinces, will give consideration to raising the national minimum allowance for the blind as well as the disabled? This has not been raised for years.

[*Translation*]

Mr. Lalonde: Mr. Speaker, the work being done with the provinces at this time concerns all those in need. We are endeavouring to do away, as much as possible, with the categories known in the past in the field of social welfare, and to introduce a guaranteed income and an income supplement program to be applied as widely as possible without encumbering ourselves with those artificial divisions that created so many problems in the past.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED DENIAL OF JUSTICE TO MR. SAMSON—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, when the liberty of the subject is in any way interfered with, parliament has a pre-eminent duty to act. I want to ask first, why Robert Samson, a mounted police officer who has now been held for 74 or 75 days one way or another in custody, has not been charged if there is any evidence against him?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the matter on which Mr. Samson was held and brought before the fire commissioner's inquiry in Quebec was the responsibility of the Attorney General of Quebec and the investigating police force which is the Montreal Urban Community Police Force. The Attorney General of Quebec and the Montreal Urban Community Police Force decided to proceed in that way. We have no responsibility or jurisdiction in the matter. I might say that on other grounds the RCMP dismissed Mr. Samson from the force. He had a delay in which to appeal his dismissal but he did not take advantage of that delay.

Mr. Diefenbaker: Mr. Speaker, does not the minister know that he, as minister, and the government of Canada, should assure that a member of the force, as Mr. Samson was when these proceedings began, shall be protected from what is now apparently a perversion of justice. This has arisen in his being made to give evidence under the Fire Protection Act. This course, incidentally, is followed in other provinces but the accused has the right to ask for protection in respect of anything he says. Have the Mounted Police protested against this conduct which places a fellow Canadian in an impossible position and which is detrimental to the discipline and morale of the Mounted Police.

Mr. Allmand: Mr. Speaker, I have personally discussed this question with the Attorney General of Quebec and this question comes completely within his jurisdiction. The RCMP is put in a difficult position when a member of the force is suspected of committing an offence. If it takes measures which seem to protect the man, it can be accused of trying unduly to protect a member of the force. On the other hand if it does not, it is open to the sort of criticism which has been raised here today. The matter was completely within the jurisdiction of the Attorney General of Quebec. I discussed the matter with him and he said that he had decided to proceed in this way. That was his response to me. He told me that proceedings will take place in the weeks to come which will justify his action. I will wait to see what is to happen, but he has taken that position.

Mr. Diefenbaker: Mr. Speaker, does the minister approve of the kind of drum-head procedure that has been followed to the detriment of justice and the ordinary dignity of an individual.

Mr. Allmand: Mr. Speaker, I do not wish to comment on this case now because it is still before the Fire Commissioner and will proceed before the courts. But I have made my views known personally to the Attorney General of Quebec.

Mr. Diefenbaker: Tell us what they are.

Mr. Allmand: I will make further views known on the subject once the case before the courts has been concluded.

* * *

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—CANADIAN SUPPORT FOR LONG-TERM SOLUTIONS TO FOOD SUPPLY PROBLEM—ASSURANCE DELEGATION LED BY MINISTER

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Prime Minister. It arises from his earlier reference to the world food conference in Rome, in March. As the World Food Conference to be held in Rome this November will be the first such conference held at a political and ministerial level specifically so that its recommendations will reflect the policies of the governments concerned, can the Prime Minister assure this House that Canada will be prepared to give the kind of creative support to third world initiatives for long-term rather than emergency solutions which we so badly failed to give at the World Congress on Population in Bucharest. Can he also assure the House that, this time, the Canadian delegation will be led by a minister throughout the proceedings.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the composition of the delegation and its terms of reference will be made public and the delegation will be led by a minister.

Oral Questions

TRANSPORT

REPORT ON PLANE CRASH NEAR FROBISHER BAY—DATE OF PUBLICATION

Mr. J. R. Ellis (Hastings): Mr. Speaker, may I direct my question to the Minister of Transport. When will he table the report on Frobisher Bay for which we have waited so long?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I hope to have the report this week.

* * *

EXTERNAL AFFAIRS

PURPOSE OF DISCUSSIONS WITH UNITED STATES ON TRANSPORTATION OF ALASKAN OIL ACROSS CANADA

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Secretary of State for External Affairs. It arises from a reply he gave on Thursday, as reported at page 277 of *Hansard*. On that occasion he said the House was well aware of the attitude consistently taken by the government. We knew as long ago as July, 1973, that the government was just beginning to fight. We also knew that certain conversations were being opened up with the United States.

Mr. Speaker: Order, please. Will the hon. member please ask his question.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, are the conversations merely exploratory, to determine if there are sufficient clean-up materials in areas likely to be affected, or are they negotiations designed to keep tankers out of Puget Sound and the Straits of Juan de Fuca.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the line between conversations and negotiations is hard to determine at times. In this case we regard them as very important discussions or negotiations in an effort to protect, insofar as it is possible, Canadian interests in this respect. As the hon. member knows, it is a very complex subject. It is very difficult to indicate in an answer the variety of positions that have been put forward by both sides.

* * *

● (1130)

ENERGY

PROPOSAL TO ESTABLISH NUCLEAR POWER PLANTS IN NOVA SCOTIA—GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a short but very important question I wish to address to the Minister of Energy, Mines and Resources. What is the status of negotiations between the federal government and the government of Nova Scotia on the establishment of nuclear power in Nova Scotia?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, our original hope was that we could have achieved a regional expansion of nuclear power systems by a second unit to be located in New Brunswick. The first unit would have been for New Brunswick purposes and the second unit for purposes of other provinces, including Nova Scotia. Regrettably, it was not possible to come to agreement on the second unit. I intend to have some discussions with the premier in the relatively near future in relation to the interest that has been expressed both in the press and elsewhere with regard to the possibility of a nuclear unit in Nova Scotia. Of course, the federal policy still remains, the offer of 50 per cent of the capital cost of the first nuclear unit in each province. Nova Scotia would be entitled to the benefit of that. Of course, it also remains federal policy to try to shift thermal power units from fossil fuels, particularly imported oil, to nuclear wherever possible.

EFFECT OF PROPOSED ESTABLISHMENT OF NUCLEAR POWER STATIONS ON DEVELOPMENT OF FUNDY TIDAL POWER AND COAL RESOURCES

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Will the minister indicate whether the negotiations that have taken place with Nova Scotia in connection with nuclear power are in any way endangering the negotiations that have been going on with regard to the establishment of Fundy tidal power as well as the development of our coal resources in the mainland of Nova Scotia which are there and have only to be used to produce additional electrical capacity for the province.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, with regard to the Fundy tidal power, that would in fact be interruptable power because of its nature. It would not be as effective in a firm base as would a coal-fueled or nuclear station. With regard to the possible use of coal resources, particularly in the hon. member's constituency, I think it remains an important option for Nova Scotia as to whether to proceed the coal route at this time rather than proceeding with nuclear power. This is an important choice to be made.

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AGRICULTURE

BEEF CATTLE—SUGGESTED NEED FOR AID TO PRODUCERS—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Prime Minister. As it is now more than two weeks since the four western premiers called for a crash economic aid program to help small and medium sized beef producers, since many will possibly be going out of business, is the Prime Minister in a position to announce programs that will aid these beef producers in western Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is nothing to be added to what we have already done.

Mr. Nystrom: In view of the fact the four premiers said that if something is not done almost immediately, thousands may go out of business resulting in higher prices for consumers, will the Prime Minister consider at least one of the proposals, a cash advance program similar to that already in effect in this country for grains?

Mr. Trudeau: Mr. Speaker, I always consider proposals made to me by premiers very seriously.

Mr. Nystrom: Mr. Speaker, I do not think the producers of this country will tolerate that type of answer. I want to know whether the Prime Minister will be coming forward with specific programs and, if so, when will he do this? If something is not done, many producers will be going out of business within the next two weeks.

Mr. Trudeau: Mr. Speaker, there is really no announcement I can make this morning beyond saying that the matter is being considered in cabinet.

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[*Translation*]

LABOUR RELATIONS

PROPOSED MEETINGS WITH UNITED AIRCRAFT EMPLOYEES TO DISCUSS ESTABLISHMENT OF MULTINATIONAL COMPANIES IN CANADA

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I should like to ask a question of the Minister of Labour.

Would he agree to meet the main representatives of the United Aircraft employees union to discuss problems caused by the establishment of multinational companies in Canada?

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would be pleased to meet with them if they are desirous of meeting with me to find out what merit there would be in the involvement of the federal government at this time.

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GRAIN

INCREASE IN INITIAL PRICE OF WHEAT—INQUIRY AS TO DATE AND AMOUNT

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the minister responsible for the Canadian Wheat Board. As the minister has already stated there will be an increase in the initial price of wheat board grain, probably before Christmas, will he now indicate how much of an increase he or the wheat board is contemplating and when that increase will be made.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I do not think the hon. member is referring quite accurately to anything I have said. He may be referring to a remark in which I said, while I had earlier thought that consideration of an increase after January might be the most desirable time, I was giving further consideration to the timing of it. However, the question is now more when rather than whether the increase will be made.

Mr. Murta: Mr. Speaker, I was under the assumption the minister stated in Winnipeg there would be an increase before Christmas. In any event, the minister has not answered my question which is relatively straight forward. When is he contemplating an increase and what amount will it be?

Mr. Lang: Mr. Speaker, my answer made it obvious that the when has not yet been decided. Obviously, the amounts have not yet been decided either.

WHEAT—GOVERNMENT POSITION ON MODIFICATION OF TWO PRICE SYSTEM

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the minister responsible for the Canadian Wheat Board. Having regard to the fact that wheat production in Canada will be down by some 13 per cent and this year the quality of the wheat will be of low grade variety, having the overall affect of reducing gross receipts to the prairie wheat producers, and given the fact that milling wheat for export purposes is now selling at $6 a bushel while that for domestic consumption is being sold at $5 a bushel, is the government giving consideration to modifying the two price wheat structure? If not, why not?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, this is a long-term structure which ensures a floor as well as a ceiling. I think it is a very reasonable arrangement in terms of grain. This year there is a lot of lower quality and out of condition grain being produced. The challenge at the moment is to ensure that drying equipment is there to dry that which comes off damp. It is also a fact that world market conditions are such that the grain of lower quality which is coming off is actually selling at a very high price.

Mr. Mazankowski: Inasmuch as a differential of $1 per bushel could result in a loss of something in the order of $50 million to $60 million to the prairie wheat producers, does it remain the intention of this government to carry on this wrestling match against inflation on the backs of the farmers?

Mr. Lang: Mr. Speaker, the hon. member fails to note that the overall arrangement, a seven-year program with a guaranteed minimum as well as a guaranteed ceiling, means there can be periods during which the producer receives a little less because of the fixed maximum. However, there are other times, just as there were from 1969 to 1972, when the producer receives more from the consumer because of the higher price which is being paid.

* * *

AGRICULTURE

BEEF CATTLE—SUGGESTED CONSULTATION WITH UNITED STATES ON PROPOSED IMPORT QUOTAS

Mr. Jack Horner (Crowfoot): Mr. Speaker, my question is for the Minister of Agriculture. Because of the uncertainty in the cattle industry and the fact that the fall run

is about to start, is the minister prepared to go to the United States to discuss the on-again off-again quota on imports and embargoes between Canada and the United States so the market might know what is going to happen between these two countries? This is very important to the fall run of cattle.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, a meeting is taking place in Washington today with beef producers from all countries concerned, Australia, New Zealand, Argentina, the United States and others. We have representatives at that meeting. As far as our quota program is concerned, it is set for a year. We do not know what the United States is going to do. If the hon. member has any further information on what they are going to do, I would be pleased to receive it.

● (1140)

Mr. Horner: A supplementary question, Mr. Speaker. The minister posed a question to me, but he is Minister of Agriculture. Does he not think that he can do some good for the Canadian cattle industry by going down to the United States and talking with Secretary Butz of the United States so as to ascertain exactly what is the intention of the United States government regarding the export of Canadian cattle to that country?

Mr. Whelan: Mr. Speaker, as the hon. member well knows, the United States government passed a law—I forget the number of the bill passed—back in 1962 by the U.S.A. which allowed them to hold hearings concerning the controlling of imports of any country that introduced controls that are liable to hurt American exports. The United States government has not said what it is going to do. I thought the hon. member had some knowledge that he was going to pass on to me.

Mr. Speaker: Order, please.

Mr. Whelan: I point out, Mr. Speaker, that a week ago today I met with the United States undersecretary of agriculture in Boise, Idaho.

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[Translation]

OFFICIAL LANGUAGES

PRIOR CONSULTATION WITH QUEBEC BEFORE PASSAGE OF BILL 22

Mr. René Matte (Champlain): Mr. Speaker, my question is for the right hon. Prime Minister.

In view of the fact that Quebec Premier Bourassa has emphasized, ever since he has been elected as head of the Quebec government in 1970, the profitability of cooperative and consultative federalism, can the right hon. Prime Minister tell the House whether the government of Quebec has consulted or at least informed him before putting into effect the language policy contained in Bill 22?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I already had the opportunity to tell the House Mr. Bourassa has discussed his projects with me in a rather general way, and I think some information has also been given at the ministerial level. Besides that, Mr. Speaker, I can only remind the hon. member that the government of Quebec retains its autonomy in fields of its jurisdiction. There has been some discussion but no comprehensive efforts to take action directly in a provincial jurisdiction area.

In other words, Mr. Speaker, there has been political discussion rather than—I can see the right hon. member for Prince Albert is mumbling. He should feel free to speak up.

[English]

Mr. Diefenbaker: Mr. Speaker, the Prime Minister says that Bill 22 is a matter of provincial jurisdiction. I thought that during the election campaign he expressed grave doubts as to its constitutionality when he was trying to get votes from other parts of Canada.

Mr. Trudeau: As usual, Mr. Speaker, with this type of subject, the right hon. gentleman is wrong.

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FINANCE

CONSULTATIONS WITH PROVINCES ON TAXATION OF RESOURCE INDUSTRIES PRIOR TO BUDGET PRESENTATION—GOVERNMENT POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. Will the minister be making, or has he made, concrete proposals to the provinces in the present round of consultations regarding the taxation of resource industries before presenting his next budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have been visiting the provinces, and will be again this week or early next week, to discuss with them the implications of proposals that I brought before the House on May 6. I will be reviewing options and hearing what options they have in mind. I want to say to the hon. member that these are not negotiations; these are discussions to put me and the government in a better position to review the budgetary posture before the budget is brought down later in this parliament.

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LABOUR CONDITIONS

APPOINTMENT OF COMMISSIONER FOR GRAIN HANDLERS DISPUTE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a question for the Minister of Labour. Has the minister appointed a commissioner for the grain handlers dispute?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. I thank the hon. member for giving me notice of the question. The fact of the matter is that Mr. Justice Bayda of the Queen's Bench court of Saskatchewan has been appointed industrial commissioner in this particular dispute.

MULTICULTURALISM

REQUEST FOR PUBLICATION OF EVALUATION STUDY OF USE OF LANGUAGES OTHER THAN ENGLISH AND FRENCH

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a supplementary question having to do with another topic. Would the minister release the evaluation study of the use in Canada of languages other than English and French, and in particular Italian, Ukranian and German?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I hope the hon. member will be indulgent enough to let me have a look at it. Before doing so, I do not think I can answer the hon. member's question.

Mr. Paproski: Mr. Speaker, we can see there has been a demise of the multicultural program since Dr. Stanley Haidasz has been fired.

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PUBLIC SERVICE

POSSIBLE STRIKE OF ASSISTANT AIR TRAFFIC CONTROLLERS—GOVERNMENT ACTION

Mr. Elmer MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Labour concerning problems that seem to be developing in Air Canada with the walk-out of assistant air traffic controllers, continuing negotiations with CALPA, and there are reports that other personnel may be considering strikes or walk-outs. Has the minister any report to give us, or are we faced with another disruption of our country's air services?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, with reference to this particular dispute, since employees of the federal government are involved I think the hon. member's question should more appropriately be directed to the President of the Treasury Board.

Mr. MacKay: A supplementary question, Mr. Speaker. I will be glad to accept the minister's suggestion, though I keep in mind that on another occasion when I asked him a question concerning the CALPA negotiations he said I had the wrong department, and later on he had to recant and say that I was right in the first place. I ask the President of the Treasury Board what reports he has for the House and the country concerning the very serious situation that seems to be developing in Air Canada.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, as far as I am concerned, negotiations are progressing well at this time and I have nothing special to announce to the House.

[*English*]

POSSIBLE STRIKE OF ASSISTANT AIR TRAFFIC CONTROLLERS—GOVERNMENT ACTION AGAINST THOSE PARTICIPATING IN ILLEGAL STRIKES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I have a supplementary question which I will direct to the President of the Treasury Board. It deals with statements made during the last illegal postal strike by the minister's predecessor regarding the possible prosecution of those taking part in illegal strikes in this country, and that, to use his own words, they would not be tolerated any longer. Now, we are faced once again with a disruptive walk-out by the assistant air traffic controllers, would the minister therefore indicate to the House what positive steps will be taken to deal with those taking part in these and any future illegal strikes as a result of the former minister's promise, or is the government changing its mind on the matter as well?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I am happy to see that the hon. member agrees on the statement made by my predecessor. We intend to put this policy in practice while using proper judgment according to the various circumstances we will have to face.

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[*English*]

NATIONAL DEFENCE

DOWNSVIEW AIR BASE—POSSIBILITY OF RELEASING LAND FOR HOUSING DEVELOPMENT

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of National Defence. In view of the shortage of housing in Toronto, does the government intend to give up excess land at Downsview air base so that some land can be made available for this purpose?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the Department of National Defence is aware of the need for housing property in North York. Several years ago it released some 70 acres of land to Crown Assets Disposal Corporation, but we have no plans to release any other part of Downsview as it is needed for operational purposes.

* * *

HOUSING

SUGGESTED INCREASE IN FUNDS FOR ASSISTED HOME OWNERSHIP PROGRAM—AVERAGE EFFECTIVE RATE OF INTEREST ON MORTGAGES—POSSIBLE SHIFT IN POLICY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. In view of the reduction in the rate of housing starts on an annual basis by some 70,000 units, is the government giving consideration to increasing the budget of the assisted home ownership program to $1 billion?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, without accepting the hon. member's figure, may I say we are considering every possible alternative so as to increase housing stock and reduce the decline in housing starts in the coming year.

Mr. Orlikow: A supplementary question. In view of the fact that most mortgages have been negotiated at 9½ per

cent interest rate, and more recently the rate has increased to 11½ per cent, will the minister inform the House as to the average effective rate of these mortgages?

Mr. Danson: Mr. Speaker, I do not quite get the precise intent of the question, but I will check what the average rate might work out to. This is a matter of rather important concern and I will try and get the hon. member an answer.

Mr. Orlikow: A final supplementary question, Mr. Speaker. In view of the statement made by the president of Central Mortgage and Housing Corporation that the government will intervene next year if housing starts drop below 200,000 units for the year, does this statement represent a shift from previously announced government policy of completing 250,000 housing units per year?

Mr. Danson: Mr. Speaker, the government is always intervening in the housing market, but there has been no shift in policy. Our policy has been to follow the guidance of the Economic Council of Canada and try to produce one million houses every five years. We have exceeded that by some 250,000 houses, and that is almost double the rate. This housing policy will continue.

● (1150)

ALLEGATION QUALIFIED APPLICANTS REFUSED LOANS BY CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I should like to direct a supplementary question to the same minister which results from the fact that constituents have complained to me that although they have qualified for Central Mortgage and Housing Corporation funds the corporation has informed them there is no money available. Why is that?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I would have to consider individual cases, but I should like to know about the specific one to which the hon. member referred. It is true that in respect of AHOP, if that is what the hon. member is referring to, funds are being rapidly used up, which proves the great success of this excellent program that was introduced by my predecessor.

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UNEMPLOYMENT INSURANCE

ENTITLEMENT OF TEMPORARY EMPLOYEES AT TAXATION DATA CENTRE TO BENEFITS—HIRING OF STUDENTS AND HOUSEWIVES RATHER THAN THOSE DRAWING BENEFITS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I would ask the Minister of National Revenue whether the more than 1,000 keypunch operators employed in Ottawa at the Taxation Data Centre during the peak four or five months each year are entitled to receive unemployment insurance benefits after being laid off from these seasonal jobs?

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, I will make an inquiry into that situation.

[Mr. Orlikow.]

Mr. Clarke (Vancouver Quadra): Mr. Speaker, perhaps the minister would also inquire as to why the Public Service of Canada is directing its advertising campaign for keypunch operators to housewives and students with no experience instead of hiring from the ranks of others who are already drawing unemployment insurance benefits?

Mr. Basford: Mr. Speaker, in order to obtain technicians we are hiring them from wherever they can possibly be obtained.

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FEDERAL-PROVINCIAL RELATIONS

POSSIBLE RESUMPTION OF DISCUSSIONS ON CONSTITUTIONAL AMENDMENTS—CONSULTATIONS WITH PROVINCES

Mr. David MacDonald (Egmont): Mr. Speaker, it seems the Prime Minister has disappeared momentarily and I do not know whether he is allowed to answer by long distance, but my question has to do with his remarks during the Throne Speech debate regarding the establishment of an acceptable amending formula which would allow us to deal with our constitution domestically. Has he conveyed this sentiment to the provinces, or discussed with them the procedures of an earlier conference that broke off two or three years ago in Victoria? Can he tell the House what steps will now be taken to achieve this desirable end?

Right Hon. P. E. Trudeau (Prime Minister): Not at this time, Mr. Speaker. There are to be consultations which will be on a bilateral basis with the various provinces. There will be no public occasion in the immediate future at which that matter will be discussed.

Mr. MacDonald (Egmont): Mr. Speaker, in light of the importance of this to all Canadians is the Prime Minister prepared to tell the House what proposals he will put forward to the provinces in order that Canadians might understand and accept those procedures to be followed in this regard? In addition, and in light of the difficulties at Victoria, does the Prime Minister propose to place any amendment on the table for the provinces to consider?

Mr. Trudeau: Mr. Speaker, as the hon. member knows, and as I indicated in my speech on leaders' day, these discussions have been going on since 1926 and there are literally thousands of proposals and variations which can be discussed. My mind is open to any of them. At this stage I have indicated that discussions will be bilateral. These discussions will probably take place over quite a period of time before I will be in a position to indicate what the general direction will be, and that will eventually be made public.

ENERGY

COAL—PROPOSALS FROM NOVA SCOTIA FOR DEVELOPMENT OF MINES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is supplementary to questions posed by the hon. member for South Shore and the hon. member for Cumberland-Colchester North. Has the minister of Energy, Mines and Resources received any proposals from the government of Nova Scotia regarding further development of coal mining in that province as a result of the minister's statement last winter that he would be prepared to entertain specific proposals from the provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to check the record before responding to that question, but I will undertake to do so and advise the Leader of the Opposition.

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NATIONAL DEFENCE

POSSIBLE REDUCTION OF FORCE IN EUROPE AS A RESULT OF BUDGETARY CHANGES—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of National Defence which arises partially from comments made yesterday by the Maritime commander, as well as during the latter part of last week, regarding his concern in respect of reduced activity. In achieving a 30 per cent cutback in this phase of the current defence budget have the minister and his colleagues given consideration to any reduction in Europe?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I think the first thing that must be clarified is that the defence budget is not being cut, but is being increased. It is up at least $150 million this year over last year. It will continue to be increased. As we attempt to make allocations as between personnel costs, equipment costs and operations we must adjust the balance, and, as I explained to the House last week, that process is going on at the present time. Europe is not being considered in our present thinking as being an area where we would make cuts.

Mr. Forrestall: Mr. Speaker, would the minister indicate whether in the requests he has quite apparently sent out for budgeting purposes in relation to a review of our forces' position in Europe for the next fiscal year, has he asked for some suggestion about how an acceptable cutback might be achieved in Europe next year?

Mr. Richardson: No, we have not done that, Mr. Speaker.

ENERGY

SARNIA-MONTREAL PIPELINE—NATURE OF POSSIBLE GUARANTEE BY FEDERAL GOVERNMENT TO ENSURE CONSTRUCTION

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, in view of the doubt now that the Montreal pipeline will go ahead, will the Minister of Energy, Mines and Resources indicate when this interprovincial matter was discussed in Cabinet, and was there any guarantee that the pipeline would be viable? If so, would he divulge that information?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think the view generally at that time both in the oil industry and the regulatory agencies, that is the Alberta Board and the National Energy Board, was that the supply would be adequate over a period of time to meet the additional demands of the Montreal market.

Mr. Bawden: Mr. Speaker, will the line be built with federal government guarantees if in fact the National Energy Board report on reserves proves there is insufficient oil to fill the line and make it viable?

Mr. Macdonald (Rosedale): Mr. Speaker, as I told the House last week, the nature of the guarantees, if any, is something which the company will be putting to us in the near future, and the government will, of course, have to make a decision as to the nature of any financial participation the federal government might undertake.

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SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Friday, October 11, consideration of the motion of Mr. Louis Duclos for an address to His Excellency the Administrator of the Government of Canada in reply to his speech at the opening of the session.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, when the allotted time ran out on Friday, I was discussing some of the problems that affect my constituency and constituents, and I should like to continue in that vein for a few minutes.

Let me turn my attention for a moment or two to the matter of police protection in Northumberland County in the province of New Brunswick. We seem to be experiencing a period of increasing crime which must be partially the result of the lack of police protection we have. The County of Northumberland covers an area of 4,720 square miles. To police that area we have a total of 22 RCMP officers and men. They are divided into three detachments, one at Newcastle, one at Doaktown and one at Neguac. I wish again to emphasize that the area which they must cover encompasses 4,720 square miles with a population of approximately 52,000 people. By comparison Parliament Hill is policed by 38 Royal Canadian Mounted Policemen, consisting of 28 constables, four corporals and one staff sergeant, in addition to the protective staff. As I said, the police situation in Northumberland-Miramichi

shows very little resemblance to the situation on Parliament Hill. I would respectfully request the Solicitor General (Mr. Allmand) to look into the situation in Northumberland-Miramichi and carry on discussions with the Minister of Justice for the province of New Brunswick in an effort to increase the number of police officers for the protection of that area of the province of New Brunswick.

● (1200)

Now, I wish to express some of my reactions since becoming a member of parliament. I am impressed, of course, by these buildings which house us and by the various staff people who serve us. I am impressed by the cleanliness of these buildings, and the willingness of the staff people to help and assist us. I have found them without exception, to be industrious, courteous and conscientious, and I am happy to be able to commend them publicly. I am depressed, on the other hand, by all the hand-wringing and pessimism I witness in this chamber. When I listen to the predictions from the other side of the aisle, I have to wonder if this is Canada we are hearing about. I do not wish to pretend we have no problems. Indeed, we have. I believe we should bend every effort to solve our problems. But let us not over-emphasize those problems which agitate us. Of course, we have inflation, but we will not solve these problems by exaggerating them. I believe those who occupy positions of public trust have an obligation to speak with care. The fact is that Canada is having more success and Canadians generally are suffering less from the effects of inflations than any other industrialized nation.

When I consider some of the questions put during the oral question period and some which are placed on the order paper, I do not wonder why our people sometimes have such little respect for politicians. I do not believe we can expect the public to have respect for us unless we show by our actions and our words that we respect the position to which they have elected us.

Mr. Speaker, I am proud to be here; I am proud to be a Canadian, and I think we should proclaim some of our assets which are continually persuading so many people from many other countries to come here to seek their destinies. By all means, let us take our problems seriously, but let us not become so myopic that we trample ourselves to death getting away from the fire.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, first I should like to congratulate you on your elevation to your high position. Your activities in the House in the preceding six years certainly merited your choice for higher things and I, as one privileged to sit in this House during the first few weeks under your jurisdiction, have nothing but compliments for the way you have handled yourself, for your fairness and for your general conduct as Speaker. The House has benefitted as a result and I congratulate you. I should also like to congratulate the other members of the House who have been appointed your assistants. They are doing their very best. They are doing a good job and I also congratulate them.

One principal reason for the zero growth in real production which took place in this country during the first six months of the year was the $1.2 billion increase in our trade deficit in finished goods which took place during that period. As we know, finished goods provide the majority of the taxes which are needed to finance the development of an industrial country, the return on industrial investment and the jobs which are needed to employ those who are continually becoming new members of the work force of a country such as Canada. As we know very well complete production of fully manufactured goods is the most important kind of process we can have. It seems strange that at the same time this government was allowing a $1.2 billion deficit in our fully manufactured goods to take place, this government was falling all over itself in an attempt to sell our raw materials to other industrial countries which use these primary products to feed their manufacturing processes.

Every time the Minister of Industry, Trade and Commerce (Mr. Gillespie) stands up to answer a question in this House he proudly announces that we have increased our over-all exports. Of course, there are two things which must be taken into consideration when he makes those statements. In the first place, when he says we have increased our exports by 23 per cent this year he seems to forget the fact that inflation connected with those particular exports about which he is speaking has increased not less than 29 per cent and that, according to the figures of the agencies of government, our real exports have decreased this year by 5 per cent. I say that by far the most worrisome matter is the fact that the export of our fully manufactured products has declined very sharply and our imports of fully manufactured products from other countries have increased equally sharply.

As I said before, we have been increasing the export of our raw materials. Specifically during the first six months of the year our exports of crude production increased by $400 million and our exports of fabricated products, those products which have had one stage of manufacturing, increased by no less than $200 million. This steadily deteriorating situation shows clearly that we are now engaged in exporting employment instead of bending all our efforts to sell more finished products in the export market and thereby gain so many advantages for this country, such as additional jobs for our people, additional return on the capital invested in industry and additional taxes required to meet our very heavy expenditures in running our country. To sell more of our finished products in the export market, the federal government must introduce practical incentives to increase substantial improvements in the following fields: First, expanded export trade; second, increased productivity; third, more research and development; fourth, more processing of primary products in this country.

First of all, what must we do to greatly expand sales in the export market? Because of the country's great dependence on the United States market where we make 70 per cent of our sales and the steady move of that country toward protectionism, we must develop additional markets because if we do not we will place ourselves more and more in the hands of the American people. As their tendency toward protectionism increases, it is obvious that we will find ourselves in a more and more difficult position so far as making sales in the export market is concerned.

[Mr. Dionne (Northumberland-Miramichi).]

● (1210)

What must we do? Making sales on the export market requires doing four things well: first of all, going overseas and making personal contact with potential buyers; second, while overseas, finding out firsthand what is needed to meet the competition in that market; third, coming back to Canada and producing products which will not only match but beat that competition; and fourth, displaying those products which we produce effectively before potential buyers. The incentive that I suggest would allow producers to write off 200 per cent of all expenses connected with making sales trips abroad, displaying products at foreign trade fairs, and any other expenses incurred in sales promotion in the export market. The kind of incentive that I suggested will greatly encourage the kind of activity that I have described as being very necessary indeed, activity which is needed to increase export sales. Not only would all such expenses be completely written off in the year when they are made, but a considerable cash bonus will accrue to the company undertaking additional export activity.

Another thing which the government should do to help increase the sale of Canadian products abroad is to introduce "fly and buy" missions, whereby the important buyers from the principal foreign markets of the world would be flown to Canada once a year to see Canadian consumer products displayed in giant trade fairs in Montreal, Toronto, Winnipeg and Vancouver, and our heavy machinery in the factories across Canada where it is made. These kinds of missions will pay for themselves many times over in the future by way of additional jobs, profits and taxes which these additional sales will make available to Canada.

Next I would like to deal with the need to increase productivity in our country. As we well know, increased productivity makes possible the lowering of costs of production, which in turn makes possible lower selling prices, which produce more sales which result in more production, which produces more jobs. It is as simple as that, but nevertheless is very necessary. Increasing productivity requires the installation of new plant machinery and production systems. These usually cost a great deal of money, and in order to persuade industrialists to undertake a program of increased productivity, we must first convince them that they will be able to get back their costs, and then some, by making these usually heavy investments. To make this possible, the government should introduce a productivity incentive which would, first of all, allow industrialists to write off capital expenditures within two years and, second, which would provide a bonus to industrialists and producers generally at the end of the year based on increased productivity in that plant or in that operation during the past twelve months, compared to the base year which would be the year before the plan goes into operation. This kind of incentive has been very effective in increasing productivity in such countries as Japan and West Germany, where spectacular results have been achieved since the end of the second world war. There is no reason at all why equally satisfactory results cannot be obtained in Canada by a similar process.

Next, I should like to deal with what is needed to increase research and development in this country. One of the reasons we have had to rely so heavily on foreign capital in the past is that investment brought with it technology which was produced by research done in the country where the capital originated. We need more research and development in our country for two reasons: first of all, so that we will be able to rely less on foreign capital for our industrial development, and second, to win new markets because by means of additional research and development we will be able to lower costs, to produce better design and better quality, and to win new markets by a combination of any of these factors.

The incentive which I believe should be offered is to allow industry to write off 200 per cent of the cost of current and capital expenditures on research and development in excess of those made in the base year, which would be the year before the plan goes into operation. This would once again be attractive to producers and would induce them to undertake such a program because they would not only be able to write off the whole cost of the operation in one year but would receive a substantial cash bonus at the end of the year as well. Where this plan has been adopted, it has been very successful in greatly increasing research and development in the countries concerned. There is no reason why it would not be equally successful here in Canada.

Finally, I should like to deal with the need to process more of our primary products in this country. All of us here, all industrialists and all politicians in this country, have agreed for many years that we export far too large a proportion of our bountiful supply of raw materials. We send them to other countries which turn them into finished products and thereby gain the great advantages of increased employment, taxes and profits, gains which rightly should be ours. What is needed to bring about greater processing in Canada? We have talked about it for a long time but have done nothing in this direction. Thirty years ago the government of Ontario required companies which had been shipping logs to paper mills in the United States to process a far greater proportion of those logs in paper mills in Canada. This led to a spectacular expansion of the pulp and paper industry in Ontario and is the reason that we have such a large and thriving pulp and paper industry in this province.

What has worked so well in the province of Ontario with regard to pulp and paper will work equally well in the case of other primary products which are shipped out of this country in large volume at present to other countries for use in their manufacturing processes. It can apply to all of our raw materials which we produce across Canada. If we apply the same principle that Ontario did regarding the shipping of logs out of the province some 30 years ago and since that time, it can work equally satisfactorily for all raw materials in this country because of the great dependence which other countries have on Canadian raw materials to run their factories and turn out the finished products.

It is obvious that a certain proportion of our primary products should be shipped abroad in their raw state, but not nearly the proportion that is shipped today. I believe that the Department of Industry, Trade and Commerce should now undertake an intensive study of what proportion of our primary products should reasonably be

required to be processed in Canada. Having decided the proportion of our various primary products which should be further processed in Canada, we must produce an incentive to persuade those who normally export these primary products to process the proportion that is agreed upon in this country.

● (1220)

The Department of Regional Economic Expansion has provided grants which have proved useful in attracting some industry to areas of slow growth, but not nearly enough to reverse the persistent high unemployment tendency in those areas. In addition to DREE grants we need an incentive which I believe should be a graduated system of federal taxation under which in the first year of full operation the company concerned would pay no federal tax and would then start paying gradually increasing amounts until its fifteenth year when it would be paying full taxes. I have discussed this matter at length with producers all across the country who have convinced me that this additional incentive to the DREE grants would produce the results I have in mind.

The incentives I have outlined will pay for themselves many times over in the years ahead in two ways, Mr. Speaker. First of all, if they are applied and industrial production is increased in the way I know it will be, we can provide a greater number of jobs for the work force. By providing more work, the number of people drawing unemployment benefits will be reduced. In this way I am convinced we can save $1 billion per year of the more than $2 billion per year now paid out in unemployment insurance benefits.

The second way we can save money is by greatly increasing tax revenues. By increasing employment in the manner I have outlined, more people would be working and paying income tax instead of drawing unemployment insurance benefits and more commodities would be sold, resulting in additional commodity taxes. Greater production would decrease the unit costs and thereby give greater profits to producers. That would mean more taxable profits.

I believe a program of incentives is necessary and I believe it would do two things, Mr. Speaker. First, it would increase production to the point where it is approximately equal to the demand for products. That action would return inflationary pressures to normal. Second, it would provide the jobs which would reduce unemployment to somewhere around 4 per cent of the work force which I believe to be a reasonable level. That is the aim of all members in this chamber and it must be the aim of this government.

Mr. Speaker, this is a reasonable program and one which I have discussed at length with industrialists in all parts of the country. It is a program which will work and I put it forward for the consideration of this House because I believe it is the only kind of program that will meet the needs of Canada today and will restore our economy to the level which the people of Canada have a right to expect.

Some hon. Members: Hear, hear!

Mr. Norman A. Cafik (Parliamentary Secretary to the Minister of Consumer and Corporate Affairs): Mr. Speaker, first of all I should like to congratulate you most sincerely on your elevation to your high and important post. I express confidence, along with all members of this House, that you will do a magnificent job, following in the footsteps of your illustrious predecessor and, I am sure, will do as well if not better than everyone who has preceded you.

[Mr. Hees.]

I should like also to congratulate the mover (Mr. Duclos) and seconder (Mr. Lee) of the Address in Reply to the Speech from the Throne. Both performed very very well when giving their maiden addresses in this House.

Third, Mr. Speaker, as is traditional, I should like to thank the electorate of Ontario riding who managed to give me a slightly larger majority than I had after the 1972 election. I appreciate it greatly and will work as hard as I can to be worthy of the confidence they have shown in me.

I should like also to thank the Prime Minister (Mr. Trudeau) for giving me the honour of working with the Minister of National Health and Welfare (Mr. Lalonde) for most of the last two years.

Mr. Baker (Grenville-Carleton): Do you like powdered milk, too?

Mr. Cafik: His was a very important portfolio in the last parliament and dealt with the social needs of the people of Canada. The Health and Welfare ministry did a great job in increasing family allowances and old age pension benefits, and brought in a whole range of programs in the twenty-ninth parliament. I am sure the minister will do an equally good job in the forthcoming sessions of the thirtieth parliament on behalf of those people in this country who are in need or on fixed incomes.

I should like also to thank the Prime Minister for appointing me as Parliamentary Secretary to the Minister of Consumer and Corporate Affairs. His department has a lot of legislation to bring forward. A great deal of work has to be done to protect consumers in the marketplace and to make sure that the marketplace functions properly for the protection of the free enterprise system. That can only be done if it functions in such a way that the greatest number of people are served by the free interplay of competition.

The first subject with which I should like to deal is one that is linked to my own riding and that is, the airport that was proposed for Pickering some time ago. As all hon. members know, an independent inquiry was set up to look into the whole matter and I hope a report will be forthcoming in the next month or so. Whatever the recommendation of that independent inquiry, I urge the government to accept it. If the independent inquiry concludes that the airport is not necessary or is not properly located, then the whole proposition should be reconsidered. However, if that independent inquiry commission recommends on the other side of the question, then it seems to me their recommendation should be followed as well. This is a highly controversial matter, and I think if we are to look at it responsibly and objectively, we must give great attention to this report when it comes.

Mr. Baker (Grenville-Carleton): You sold your riding out, Cafik.

Mr. Cafik: The second point I want to make in respect of the Pickering airport proposal, Mr. Speaker, is in regard to

those people who had land expropriated. Some 18,000 acres of land were expropriated by the federal government for the airport and there have been a series of actions started under the Expropriation Act and outside of the Act in order to arrive at reasonable market values for the land. Obviously, any conclusion will never be satisfactory to all concerned and that is quite natural but it is my job, the job of the Department of Public Works and of this government to ensure that justice is done and that people are adequately compensated for the properties taken from them, reluctantly.

Until now the money paid to those expropriated was based upon market value or the department's judgment of market value. The two outstanding questions that have not been resolved are the valuation date of that market value and the home-for-a-home principle. The payments that have been made or offered to date are based upon market value determined as of January 30, 1973. A lot of water has flowed under the bridge since then. Some people concerned have not replaced their property because the government has held out the possibility that the airport would not be built. That being so, it is unreasonable to expect people whose property has been expropriated to replace it immediately after expropriation, because they have been led to believe that there is a possibility of their being allowed to stay on after the inquiry is over. Therefore, because these circumstances are unique, it is essential that we establish a new valuation date. It should be the date on which a person bought property to replace property he originally held. Or, at the latest, the date should be some day after a decision has been made and a report tabled about the airport inquiry. If it is decided to go ahead at that time, I believe the government will be obligated to state when the new valuation date will be. It should not be before the date of the decision and it could be as much as three months afterwards because, so far, the government has not yet given notice of possession.

● (1230)

My second point concerning justice has to do with the home-for-home principle. This has not been applied in any cases which have arisen so far. It has not been applied because it is presumed by those who interpret the Expropriation Act that market values will be sufficient to enable people to replace one home with another of equivalent premise. That may be all right in many cases but there are clearly exceptions to the rule. I wish to illustrate an exception which must be taken into account by the Department of Public Works. Of course, one can think of more than one exception.

I am speaking of, say, a retired couple living in what might be considered as a substandard dwelling, the market value of which may be $22,000 or $23,000, but which cannot be replaced for less than $60,000 or $70,000. We are obligated to give such people a home in which to live, if we take away the one in which they lived previously. There are other elements to the question which are difficult to resolve. If you give them a higher priced home because there is not one of lower value in the neighbourhood, what shall we do about the increased taxes they must pay? The husband and wife may have retired on a fixed income and have well afforded the home which was expropriated, because they had paid for it and the tax rate was low. If they are pushed into a subdivision, into a much more valuable home, who will pay the increased taxes? Their tax bill may rise from $200 a year in their old home to $900 or even $1,000 on the new one. In my view, the Department of Public Works is obligated to make up the difference for that couple during their lifetime.

Many other problems of this type must be considered in an understanding and humane way by those who administer expropriation proceedings, so that we can make sure no one is disadvantaged economically because property is needed for the public good. That is fundamental.

The question of rental rates is also important. In Pickering, in my riding, the province of Ontario began expropriating 25,000 acres of land adjacent to the airport site. It decided to charge those expropriated rent of only $1 per year. I prodded the federal government to do the same and it followed suit. The original agreement made with those expropriated is to expire on December 31, 1974. The province has extended its rent-free arrangement until June, 1975, to allow those who have children in the local schools to stay until that time. I believe that the federal authority should do the same.

However, there is a problem concerning equity. If you extend the rent-free arrangment ad infinitum or until such time as these people are asked to move if the airport is to go forward, some will have been allowed to stay for four or five years and others for only a few months, because some property will be used almost immediately by the Department of Transport. To get over the difficulty which will be caused by the fact that those who stay longest will gain most, I think we ought to establish some new kind of rental rate under which we can recover taxes and the amounts spent by the department in the direct control of the property. I am speaking of maintenance, policing and that sort of thing. I think that this type of rental rate would be reasonable. In doing this, we shall show the people involved that we are genuinely concerned about the difficulties which have been unwittingly inflicted upon them.

Today I shall speak mainly on housing, a subject which concerns me greatly. We have heard a great deal about high interest rates, the availability of mortgages and about land banking as a solution to the problem of housing. I do not think our difficulties fall under those headings. I do not think it is good enough to institute programs using federal, provincial or municipal funds which allow people to buy homes costing far more than they ought to cost. If we are to reduce the price of housing, we can only do this by increasing the supply of houses.

The three components which determine the value of a home are, the cost of land, the cost of building and the cost of services. Right now, the cost of land looms very large in the cost of housing. If we are to solve the problem we must take a long, hard look at it. A few years ago land in the area I come from was worth between $4,000 and $5,000 per building lot. Today one must pay between $30,000 and $35,000, and even more, for a building lot. Mr. Speaker, the land is there, just as it always was. It is no less available. What has given rise to this enormous increase in value? First, there is a lack of supply. Why, Mr. Speaker, when

there is so much land available? I will tell you why. Our provinces and municipalities have failed to approve building lots in sufficient quantities to allow all who wish to build a home the opportunity to do so. Land is being held back from the market.

Let me illustrate my point with an analogy. If 100,000 people want building lots and the province and municipality only allow 5,000 to come onto the market—and they control how many lots are put on the market—it is obvious that costs will go sky high. Exactly this has happened. We must bring more land onto the building market more quickly. If you consider the enormous amount of red tape builders face and the enormous amount of bureaucracy which is involved in house building, you will realize the magnitude of the problem. If you want to build a house on a lot, it can take you from six months to six years to get approval. That is ridiculous. That, really, is the primary problem with which we must deal, so that everyone who wants to build a home may have the opportunity of so doing.

● (1240)

We are so caught up in planners, the OMB and all kinds of municipal and provincial boards that it takes years to get through, if you get through it at all. I believe we must have a tri-level conference to work our way through the strangling red tape which saps the life out of the potential home-owners in this country, particularly those who want to buy new homes.

A few months ago I set up a housing committee in my constituency. It included a number of experts and people who are concerned. We looked at this problem. When we started, everyone had the ordinary kinds of solutions. However, when I put it to them that the real question is this excessive delay, the need to open up the land, they unanimously agreed that if we could get a handle on that, solve that question and open up land in sufficient quantity, the price of a house would drop dramatically.

There is another problem in terms of land supply. That is the monopolies. Around our major cities, and Toronto is no exception, the vast majority of available land is held by a small number of speculators or builders. The percentage of land in this area is very high. I have heard that the figures are as high as 70 or 80 per cent. We need some teeth in our laws to allow us to bring that kind of monopolistic situation to an end so that the people are properly served rather than those trying to gouge the public.

There is another question in this regard which is important. Last May the Minister of Finance (Mr. Turner) introduced a budget. In that budget he proposed doing away with the tax reductions for carrying costs on undeveloped land such as municipal taxes, carrying charges and interest rates. That sounded very good. However, what is the effect of that? Providing that kind of legislation is directed toward the speculator and not the legitimate builder, it is good. However, if it is directed toward the legitimate builder, particularly the small builder, it will drive him out of the building business. We will have less competition in the housing sector a month from today than we have now. I know that is a fact. I strongly urge the Minister of Finance to carefully review that provision before introducing the next budget. What we must do is get to the speculator who is driving up the price of land. However, let us not at the same time throw the baby out with the bath water by driving the legitimate small builder out of business.

We must change our attitude toward development. We in this country are inundated with planners. One would think that when driving down our streets, we would see the most beautifully planned and organized municipalities on God's green earth. However, you do not see much evidence of the great planning that is causing so much delay to everything everyone wants to do. Therefore, we must change our attitude to some extent. We must be less concerned with all the bureaucratic red tape. We must look at this situation as it relates to human beings who want to build a few homes at reasonable prices. That should be the paramount consideration. In terms of planning, we are hooked on the idea that everyone wants to live on serviced land. We think everyone needs sewers, piped-in water, streets, curbs and so on. However, all people want is a roof over their heads, a home of their own which they can afford.

We ought to carefully consider the possibility of opening up strip development. There are rural areas where farmers can hardly afford to farm because they do not have enough capital for all the equipment they need. There are parts of their property along ravines and so on that do not lend themselves to agricultural use. I cannot for the life of me understand why we will not allow these people to build on this non-agricultural land if it is on agricultural property. It could have a septic tank and a well. People lived under those conditions for years; I suppose for thousands of years. I do not see any reason why we can not have that kind of development in this country. It will give people a better quality of life. They can have a home at a better price. If you opened up that kind of land for development, it would drive down the price of land dramatically. It would also be of help to the farmer. We should look at this proposal as well as all the expensive services. I agree they are needed in certain areas, but not all. If we opened up this kind of land for strip development, did away with the red tape and so on, the situation would be very much improved.

With regard to rural homes that are not on serviced land, we should take another look at the National Housing Act. Moneys are not available in the same quantities, with the same rules and regulations or as easily for people who want to build with septic tanks and wells. It is easier for those who want to build in a subdivision. The National Housing Act should be adjusted or the regulations changed to allow that kind of development.

To solve these problems in terms of land use and getting through the bureaucracy and because of the urgent nature of this matter, I suggest there should be a tri-level conference. The municipal, provincial and federal governments should get together and establish as a top priority the desire to provide homes at reasonable prices. The $30,000 to $40,000 range is high enough. This could be done if we were to cut the bottom out of the price of land and reduce the price of a lot from $35,000 to $4,000 or $5,000. With the right kind of approach by the three levels of government, I believe this could be done overnight.

As a result of the housing shortage, we have an opportunity to achieve another social objective. We can concentrate on the development of new homes away from the big cities. By building them around smaller existing communities, we will take the pressure off the big cities. This would not only have the beneficial effect of redistribution of the population across this country and away from our major cities which are now too large, but also in terms of quality of life.

Many seem to think that land banking is a solution to our housing problems. I do not agree. I do not think that land banking, at least what I have heard about it, is a very positive step forward. What frightens me is that the large cities like Montreal, Toronto and Vancouver will take advantage of it. They will buy all the land around them. By the way, this land has already been bought by speculators. What are we going to do, buy it back and give them a high profit or go beyond that area and bank the land? All we will do is drive up the price of land and the concentration of people more and more into the large metropolitan areas. I think if land banking is any kind of solution, we must attach to it the rider that it is really primarily designed to enable small municipalities to find land immediately around their outskirts for housing needs, and prohibit such land being tied up by the speculator and developer.

● (1250)

I have talked about land costs and I could go on and on, but the second component in the price of housing is building costs. Building costs have risen, but they are not unmanageable. The point I want to address myself to at the moment is the real hidden cost which is not understood by too many people in this country. I refer to impost costs, costs levied on builders and on individuals who want to build a home in a municipality.

To give an example of these hidden taxes, if you want to build a home in the largest city in my area, then without adding the cost of servicing and roads within the site, and so on, the cost, exclusive of acquisition of land, servicing costs and carrying charges on the land, is approximately $4,000 per unit. Municipal authorities and the provinces all declare that the cost of housing is too high, yet they themselves are charging $4,000 before you can even dig a hole in the ground. And you still have to pay for services. It seems to me that that sort of cost must become much more reasonable. For every one bedroom apartment in an apartment building in that municipality you pay $1,200 in the form of impost costs, which is a direct tax, without including cost of services. In the second largest community in my area the impost cost is $2,711 per lot, and I could go on and on.

It seems to me that when you take into account the impost cost at the municipal level, regional costs in our particular area of regional government, and over and above that the amount of bureaucratic red tape you have to wade through before you can get approval, you have an awful mess when you add them all together. That is the kind of thing we have to face. It is no solution to come forward and say we should subsidize interest rates, provide more money, and do a lot of other things. What we must do is to cut down the price of a house, and one place to start is right here.

I do not think it is fair or reasonable for a municipality to put the entire tax burden for all services extraneous to the site directly on to the shoulders of a handful of people who are trying to buy a new house in that municipality.

Mr. Baker (Grenville-Carleton): They do not, not the whole load.

Mr. Cafik: They put on a good part of it.

Mr. Baker (Grenville-Carleton): Well, that is different from saying the whole load.

Mr. Cafik: I do not think it is reasonable to put the whole of this impost cost on their shoulders.

I think we have also to give consideration to package sewage plants, upstream sewage plants and so on, so as to cut down costs. We should also open up more serviced land where it is needed. In addition to that, I think we need, on an urgent basis, to conduct a great deal of research into ways of disposing of sewage by electrolysis.

Mr. Speaker: Order. The hon. member's time has expired.

Mr. Cafik: Mr. Speaker, I wonder whether I may have permission to go on till one o'clock.

Some hon. Members: Agreed.

Mr. Cafik: I think if we do the right amount of research, since we were able to put people on the moon, it will be possible for us to develop better ways of treating sewage, such as treating it on the site rather than through centralized sewage disposal units. This is a far better way of treating sewage from an environmental standpoint.

We need a real sense of urgent priority on the part of all levels of government in order to grapple with the problems to which I have only briefly alluded this morning. There is no doubt there are literally of hundreds of thousands of people in this country who are now paying more than they can afford for a home. I do not know how we will solve this problem, but we as a federal government, in conjunction with the other levels of government, ought to do what we can to see that the situation is corrected rather than aggravated.

In conclusion, Mr. Speaker, I look forward to the first and following sessions of the thirtieth parliament in the hope and expectation that we as a body will be able to provide some kind of leadership to the other levels of government in Canada in order to see that we cope with the housing problem in an effective way and overcome one of the very great and burdensome social evils of our time, namely the excessive cost of a home for Canadians.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder whether the hon. member would permit a question before one o'clock?

Mr. Cafik: Certainly.

Mr. Baker (Grenville-Carleton): I thank the hon. member. I must say at the outset that I completely agree with much of what the hon. member said, but in terms of the responsibility of the federal government is he aware

that during the last session of the twenty-ninth parliament an invitation was given to the federal government by the minister of housing of Ontario to participate in housing programs then being considered, and now being implemented, by the provincial government, so that provincial and federal schemes, which in many cases were parallel, could be integrated? There has been no positive response yet from the federal government. That is my first question.

Secondly, would the hon. member not agree with me that one of the difficulties that municipalities face in terms of the impost charges about which the hon. member spoke so eloquently is the presently existing inequitable positions of revenue sharing between the provinces and the federal government? Can the hon. member tell me whether or not the federal government is proposing any new initiatives to right the inequities in the revenue sharing positions?

Mr. Cafik: Firstly in connection with the second point, the impost costs and the inequitable sharing of the tax burden, I draw to the hon. member's attention that so far as I am concerned the inequity rests primarily at the provincial level. The province of Ontario has criteria that demand a certain balancing of industrial assessment, residential assessment and so on, which falls very hard on bedroom communities. They should resolve that question firstly with the municipalities.

The first question had to do with consultation at the federal and provincial levels. Obviously, my answer has already been given in my speech; I think we need a lot of consultation about the whole broad question of housing. The hon. member talked about co-operating with some existing provincial housing schemes, but it seems to me they ought to put their own house in order in that respect and open up more land, as well as get rid of the bureaucratic red tape which is causing the problem in the first place.

Mr. Baker (Grenville-Carleton): Hardly an answer to my question.

Mr. Speaker: Order, please. I do now leave the chair until two o'clock.

At one o'clock the House took recess.

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[*Translation*]

AFTER RECESS

The House resumed at 2 p.m.

Mr. Claude Wagner (Saint-Hyacinthe): Madam Speaker, I was eager to intervene in this debate. I know that the House understands my well-founded eagerness since it goes back to July 8 last.

Before sending special greetings to my fellow-citizens of Saint-Hyacinthe and replying directly to some comments made by the Prime Minister (Mr. Trudeau) in this House, I would first like to congratulate you, Madam Speaker, on your appointment and assure you, as do my colleagues in the House, of my co-operation in the carrying out of your new duties.

I also congratulate the Speaker of the House and would like to tell him that he will not have an easy task during this Parliament. It is not an easy challenge to take up, mainly because the people outside of this House are restless and demand solutions to their more and more agonizing problems. There will be clashes in the House too. The opposition will have to stand firmly on its guard. It will have to show its sincerity in supporting fair measures, but it will prove responsible in fighting ruthlessly in case the government remains as inert as during the first ninety days following the election.

Madam Speaker, I hope the Speaker of the House will set to work with objectivity and fairness. I hope the day will come when we will have an independent speaker free of any political allegiance.

Madam Speaker, I mentioned a while ago how eager I was to participate in this debate and you guessed, from my broad smile, that my eagerness stemmed first of all from the results obtained in that marvelous riding of Saint-Hyacinthe in the last election. That the population should renew the mandate of its representative by suddenly metamorphosing his previous majority of 698 into 5,478 is no every day occurrence.

Those people therefore deserve that I express to them today my gratitude and appreciation, and that I assure them that I shall live up to my promises.

Those commitments, more specifically those dealing with agriculture, the golden age and the industrial development in my riding, will be respected to the letter; during this Parliament I shall intervene when need be, as often as necessary, so that the people I represent are kept informed of the work accomplished and get satisfaction.

In agriculture, especially, the government will have to launch a "green operation"; as the saying goes, the time has come to give it all we've got. When one considers the proliferation of auction sales in Quebec especially, one soon realized why the farmers are growing angrier.

Recently, 2,000 of them, in front of the Quebec Parliament, exposed their grievances. Madam Speaker, let us not wait till those people, who rightly hope the governments will solve their problems, grow so impatient that they go beyond the bounds of reasons and are led perhaps into even more difficult situations.

Answers are available to agriculture's problems. I am not among those simply decrying the government on acting negatively in this House. The eastern region should first be guaranteed feed grain supplies at a fair price. Production costs should be controlled, prices and markets stabilized. As requested by industrial milk producers, their legitimate demands should be considered and met with.

Above all, Madam Speaker, the problem of seasonal labour should be eased, the change to younger generations made easier, and producers and their families ensured of a fair return, a reasonable profit and more fitting standards of living. This in itself would be quite an achievement!

We know what the aged request, and I expect the payment, starting from October 1975, of benefits to the beneficiary's spouse between 60 and 65 years of age is but a first step toward gradual and volontary lowering of pensionable age to 60.

As for regional development, I dare hope that the intention formulated in the Speech from the Throne to extend the application of the Regional Development Incentives Act will be reflected in one of the amendments to the "Ottawa-Quebec" general law, so that the area of Rouville within my constituency, like those of Saint-Hyacinthe and Bagot, will become eligible in all fairness to the grants from the Department of Regional Economic Expansion. The "Ottawa-Quebec" agreement must also be reconsidered to meet the expectations of the Saguenay-Lac-Saint-Jean region.

As for community transportation, I trust that the rapid transit system through Saint-Hyacinthe, Saint-Hilaire, Beloeil and Montreal which the Liberals were so keen in promising during the last election campaign and even before will finally become a reality in the near future.

These are some of the economic and social questions whose merit the constituents of my riding of Saint-Hyacinthe have asked their federal representative to plead and on which I shall strongly return very soon.

Like a great many other constituencies in Quebec and throughout Canada, Madam Speaker, Saint-Hyacinthe is suffering from the present economic climate which, should it last, would lead us straight to social chaos.

In my riding as elsewhere, the people are suffering from inflation through erosion of their purchasing power. Inflation has just been recognized as a disease in this country. All of a sudden in the Speech from the Throne this government realized that it existed, and required immediate solutions. Inflation suddenly became public enemy number one. So this government must act and deal with the effects and causes of inflation, those that can in any case be controlled within Canada.

Mr. Lucien Saulnier was quite right a few weeks ago when he stated in his report as special investigator in the MUCTC conflict, and I quote:

> Non-intervention policies in the complex situation of a drifting economy can only be disastrous for the weak, the non-organized, management as well as workers and the retired—it is a stupid policy.

Unless inflation is curbed, and unless it is dealt with with lucidity and courage, the gap between the rich and the poor will only widen, and one day the delayed intervention of governments in power will only be more costly than all they may venture to do right away.

For the moment, Madam Speaker, since the question can be asked, how is the leadership of the right hon. Prime Minister (Mr. Trudeau) felt in this area?

I will come back in a few moments to that famous leadership that was indeed proclaimed from all housetops during the election campaign, and even on the station platforms waiting for the arrival of that train that used to boast about its substantiality and that is now filled with emptiness.

I hear the Minister of Environment (Mrs. Sauvé), who laughs at those things, who laughs when the inaction of this government is raised and who during the election campaign was running around not her own riding of Ahuntsic or the riding of Outremont where she lives, but the riding of Saint-Hyacinthe talking to farmers about farming problems and explaining that she had a farm in Saint-Charles in Saint-Hyacinthe, that she was affected by the fact that her alfalfa was completely burnt and realized all of a sudden that she rented her farm and that other people were farming it. She was concerned about this, but today it amuses her, as we talk about inflation.

I wish she would go back today to Saint-Hyacinthe and tell people there where we are with inflation. Perhaps she would go back with the Minister of National Health and Welfare (Mr. Lalonde) who was chief organizer in Saint-Hyacinthe, the big sponsor of the whole campaign. He talked to farmers and today, in order to get over their defeat, the Minister of Environment and the Minister of National Health and Welfare would perhaps want to go back and drink powdered milk and say so to the farmers, unless they want to follow the suggestion of the Minister of Agriculture (Mr. Whelan) who advocated putting vitamins in beer or promoting wine production. It makes quite a lot of projects.

● (1410)

[*English*]

This government we now have—I say that with reluctance, because I am sure it is not a government—these people in front of us, went to the people in July and indicated that the problem was inflation and the issue was leadership. Clearly, many Canadians endorsed that view. While it is fair to say that over 50 per cent did not, this government now has an opportunity to justify its mandate with the leadership it has promised.

I was touched by the rather naive reference in the Speech from the Throne to the lack of social unrest in Canada. I know all members of this House would join me in hoping that the facts justify that statement. I am sorry to see the Minister of the Environment (Mrs. Sauvé) leaving the chamber, because I have a few words to say which might interest her greatly. I see she is now coming back.

I am glad the House is consulting the Minister of National Health and Welfare (Mr. Lalonde) to find out whether it is true that powdered milk should be used to combat inflation. When the type of violence that surrounds the United Aircraft dispute in Quebec, the disruption of services brought about by the grain handlers' strike, the metro strike in Montreal and the transportation strike in Toronto can occur in a period of only a few months, it is only those who refuse to see the world as it is who can believe everything is well in Canada, that there is not the beginning of social unrest and that we can continue in the same way.

I remember when inflation was not as it is today, when railwaymen broke through the doors of parliament and postal workers walked for months on Parliament Hill. I remember when this House has been brought back to settle disputes which normal arbitration could not settle. Canadians have a right to know whether we have a government and parliament that is now prepared to face the continuing demands which must emerge when a free economy is saddled with an effective rate of inflation which attacks everybody's earnings, everybody's savings and everybody's future.

We must ask ourselves if this is the time for government and parliament to say only that things could be worse. We on all sides of the House have a responsibility to all the

people of this country to say that things need not get any worse, and that we are prepared to take the measures necessary to ensure that they do not. It is the gap between those who have and those who have not that poses the greatest threat to the stability of our society. This government faces real, concrete challenges to the economic and social stability of this country.

[*Translation*]

If, as I mentioned earlier, inflation has become the major concern of this session, if leadership has become the main subject of discussion, as it was during the election campaign and during the past two years of minority government, this problem which most concerns us is not the only one. There are other problems for which the leadership of the right hon. Prime Minister is lacking.

I would now like to deal one by one with the remarks of the right hon. Prime Minister who, in his wisdom, his omniscience, decided not to talk about inflation in his first speech. I notice that the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau) is applauding because the right hon. Prime Minister did not talk about inflation in his first speech in this House. However, the farmers will think about it.

Very suavely and with obvious intelligence, astuteness and brilliance, the right hon. Prime Minister mentioned problems which could be used as a diversion, which could be used as a cotton pad drenched in chloroform to be applied on Parliament and the Canadian people. He thought he could put the members of Parliament and the country to sleep by not mentioning the number 1 problem and by talking instead about related problems which are also important, but which certainly do not have the priority that the problem of inflation should have.

Madam Speaker, the question of parliamentary reform was mentioned by the right honourable Prime Minister. What did he say about this? On October 2, he said, as is reported in *Hansard:*

—this institution must express the collective will effectively and completely.

And what is the right honourable Prime Minister suggesting to achieve this? Does he really attack the problem in depth or does he deal only with procedural issues, with the superficial? We heard him say that it would be a good idea for the opposition to give him questions in advance so that he may have the time to prepare his answers. In a way, this would make some sense. We would not get the silly and frivolous answers we are getting every day. But he says questions should be made in advance. Perhaps we should broadcast the debates in this House over television and radio.

Maybe the opposition members should limit themselves to two of three speeches, whereas they are the people's spokesmen in important debates. We should proceed quickly, as if speed meant efficiency. We should always be filled with wonder at what is going on in Westminster. And there is the Prime Minister, back in Westminster where he applauds all debates in the House. And half an hour later, we shall hear him coming back from Westminster from where he wants to repatriate the Canadian constitution. To me, those are inconsistencies in the mind of the Prime Minister.

[Mr. Wagner.]

• (1420)

[*English*]

Mr. Speaker, I hear them; they are as impressive here today as they were when they were travelling in Saint-Hyacinthe this summer.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Wagner: Instead of encouraging superficial "procedurizing", the Prime Minister should have told the parliamentarians: first, let us proceed to give a completely new value to Canadian parliamentarianism. Second, let us do away with these abusive privileges of the executive which consist in hiding from the parliamentarians and the population certain things which should normally be known to all, as we have recently seen in the Supreme Court of Canada. Third, for example, he could have addressed himself to the problems facing the government which hides behind the pretext of state security whenever it does not want to disclose relevant facts to the federal administration. Fourth, the estimates could be considered spenly instead of being subject to the guillotine as is now the case. That would be a real reform in depth. Fifth, Parliament could be allowed to take part in decision-making affecting the national interest.

I am thinking, for example, of the debate on the Vietnam war; if, instead of being faced with of a unilateral decision, Parliament had been taken into the government's confidence, and if during out, we could openly discuss in this House the external relations of our country, the strategy that the government intends take, if the government could take the House in its confidence always evading the issue, then it could be said to be a parliamentary reform in depth which would go much further than simply requiring that members give notice of their questions or that our proceedings be televised.

There is another question on which the Prime Minister was evasive in an attempt to draw a red herring. He talked about repatriating the constitution. In his speech of October 3 that could be called his constitution repatriation speech, the Prime Minister said, as reported on page 46 of *Hansard:*

But I think it will be fairly easy to convince—

Oh, what paternalism! How things change when you have a majority!

the people in Quebec—

Now he is talking to the people in Quebec! He is going over the head of the Quebec premier, of the Quebec government. He is addressing himself directly to the citizens of Quebec. In a way, I can understand that he should bypass the premier of Quebec, but there are formalities one cannot do away with.

He goes on to say that:

—they no longer need to seek the help of Great Britain, that they no longer need to hide behind Great Britain's skirts when we discuss among ourselves political issues affecting us all.

• (1430)

It is our duty, Mr. Speaker, to be outspoken and let people know about Quebeckers' deep feeling in this

matter. There is much more here than an amendment formula. We must get to the bottom of the matter and not delude ourselves. People should know that Quebec, the home of French Canadians, has always believed for the last 20 years or so that the insertion in the constitution of an amendment formula could make Quebec's political evolution totally dependent upon the will of a few provinces, and that before any agreement as to an acceptable sharing of powers between Ottawa and Quebec. Always fearful of a possible constitutional iron collar, Quebec up to now, thought it was more realistic to demand an agreement on redistribution of jurisdictions, so as to know first the content of Canada's new constitution, even if it meant having to study afterwards an amendment formula, but we should not proceed in the opposite way.

If Mr. Bourassa did not make it as clear in Victoria in June 1970, he nevertheless, like all his predecessors, colleagues and advisers, had in mind the support and continuation of that stand of Quebec on that matter. And, as a deeper analysis reveals, the matter is not and does not look as simple as the Prime Minister gave it to understand last October 2nd.

Acting as the leader of this House and of the government means that the Prime Minister must be daring and courageous, and may I say honest enough to speak up his mind thoroughly, to present this House with every aspect of the problem, to dare and deal with every serious hypothesis. That means raising again every constitutional matter, which the provinces as a whole, and especially Quebec, are not in a position to indulge in on many accounts. The head of the government should give federal-provincial relations a better image than is conveyed by the kind of relationship now prevailing between the Minister of Communications (Mr. Pelletier), for instance, and his Quebec counterpart or the long delay in dealing with pertinent problems in the west of the country on matters of transportation and establishment of secondary industries. By the way, the estrangement of the western part of this country by the present federal government is a most serious matter which has to be thoroughly gone into.

National unity, Madam Speaker, implies setting priorities, and can only be built by answering daily problems; "structurizing" will follow, and "procedurizing" will come next. As for bilingualism, one is left wondering when the Prime Minister is speaking the truth. We do not know anymore. When is his policy on bilingualism a true one? Is it when he or his representatives set forth attenuating principles as they did during the first session of the last Parliament, or else today when it has a majority? Would he have lucidly and rationally reduced the rate of application of the "operation bilingualism" in the civil service following arguments but by insiders or else by Members of Parliament on both sides of this House, or did he resign himself to accepting the challenge, for electoral purposes, knowing full well that during an election campaign he could review his position? Is that what you call leadership, Madam Speaker?

I, for one, had accepted the nine points announced as attenuating principles in a spirit of justice towards the English-speaking people already working in the federal civil service, and also to avoid, in undue haste, questioning the ultimate objective of "operation bilingualism" in the federal civil service. I feel particularly at ease especially since I am a member of a party that has supported in the past and still supports the official languages policy, since I am serving under the authority of a leader whose tremendous efforts are not sufficiently recognized, the efforts he has made to familiarize himself with the French language and the Quebecois fact. I am all the more at ease because I sit with remarkable men, like the right hon. member for Prince Albert (Mr. Diefenbaker) whose merits are not sufficiently recognized in Quebec, whose contribution to this country where the two founding groups of the Canadian community—

The Acting Speaker (Mrs. Morin): Order. I am sorry to interrupt the hon. member but the time allowed him has now expired. The Minister of National Health and Welfare (Mr. Lalonde) has the floor.

Mr. Wagner: As my hon. colleagues suggest, perhaps I could be allowed to finish my remarks: I have very little else to add.

The Acting Speaker (Mrs. Morin): Do all hon. members agree that the hon. member should be allowed to finish his remarks?

An hon. Member: Two minutes.

Some hon. Members: Agreed.

Mr. Wagner: I thank you, Madam Speaker, and I thank my colleagues on both sides of the House.

Having touched upon some of the points on which the Prime Minister dwelled, here is how it seems to me we should deal in depth with today's problems.

Bilingualism should not become a question of partisan politics. It seems that, in the province of Quebec especially, the minorities are dealt with equitably and that we are justified in expecting as much in the other provinces. That is all very well, and particularly on the occasion of the adoption of the renowned Bill 22, it was timely to recall that, during the last electoral campaign, in some regards the Prime Minister seemed to be of two minds.

When he was chosen candidate in the riding of Mount Royal, I remember that he said, and I quote:

[*English*]

I trust—I trust the Bourassa government—because they are liberals, they will do the right thing. You can trust us to talk to them to make sure they're doing the right thing.

[*Translation*]

Those are words at which I applauded wholeheartedly. Now the campaign is over; it changes men surprisingly. Today the Prime Minister says: Concerning Bill-22, if any citizen wishes to bring it before a court, he is welcome to try, but we shall not intervene.

Madam Speaker, I should like to make a last point. I think that the whole issue of leadership that was obviously the stake of the campaign leads me to the following conclusion. A few years ago, I had the opportunity, at the Queen Elizabeth Hotel, to hear the Prime Minister ending his peroration with those memorable words: *Finies les folies!* And let us look at the behaviour of this government since the last election, during the last 90 days. When

listening to the Prime Minister's speech, a speech that shows he is more preoccupied with the form than the substance, I wonder when this foolishness will end. For instance, when shall we see the end of those unfruitful fights between the Minister of Agriculture (Mr. Whelan) who says to the Minister of Consumer and Corporate Affairs (Mr. Ouellet) that he does not know what he is talking about when the latter says to Mrs. Plumptre: Well done! even though 28 million of eggs are rotten. The Minister of National Health and Welfare (Mr. Lalonde) talks about powder milk, when it is not about beer advertisements. When will the folly end? The Prime Minister himself says to everyone: That is solidarity, that is democracy! And the people of Canada wonder where is the actual leadership. When will we finish playing games?

We could continue like that endlessly. I have already exceeded the time I was given. I would have a few more things to say. I hope I shall have other opportunities to do so. However, I am eager to hear the Minister of National Health and Welfare. I wish he would tell us about his policies as well as his campaign in Saint-Hyacinthe because we shall hear it with great pleasure.

Madam Speaker, I thank you for your patience and I hope that during the coming weeks the government of this country will actually try to govern our country.

[*English*]

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I rise on a point of order. There have been some discussions about cutting to 20 minutes the length of speeches for the remainder of this debate. I do not wish to impose that limitation upon the Minister of National Health and Welfare (Mr. Lalonde), and of course it would not happen unless he agreed to it, but I wonder if at some point it would be possible for us to agree to limit speeches to 20 minutes for the balance of this debate.

The Acting Speaker (Mrs. Morin): Order, please. The Chair has not been advised of such agreement. The Minister of National Health and Welfare (Mr. Lalonde) has the floor.

Mr. Caccia: Madam Speaker, on the same point of order, after the Minister of National Health and Welfare has spoken we would be agreeable to the proposal just made, in order that many more backbenchers could make contributions to this fine debate.

Mr. Horner: Madam Speaker, on the same point of order raised by the hon. member for Winnipeg North Centre (Mr. Knowles), I would not be so selfish as to say that when I have finished my speech, subsequent speakers should be limited to 20 minutes. However, I think the House rules are pretty clear on this point. In the debate on the address in reply to the Speech from the Throne, speeches are of 30 minutes duration, and I think we should proceed in that way.

Mr. Basford: Who is the House leader over there?

[Mr. Wagner.]

Mr. Baldwin: We do not believe in mob rule.

● (1440)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Madam Speaker, first of all I would like to associate myself with all the previous speakers who have expressed their wishes to the Governor General during this debate. I would like to join in wishing a quick recovery to His Excellency. I am sure that all the members of this House hope that he will be able to resume his functions very soon and continue the excellent work that he had undertaken after his appointment a few months ago.

I would also like to join all the others who have congratulated the new Speaker of the House. I would like to assure him of my loyalty and wish him every success in his new duties. Finally, I would like to congratulate the movers of the Address in reply to the Speech from the Throne. I have heard and read their speeches and I must say that they certainly are to the credit of this House and of the government party.

Madam Speaker, I do not intend to take too much time in setting foot on the slippery ground of low-caliber partisanship on which the hon. member for Saint-Hyacinthe (Mr. Wagner) has tried to keep the debate this afternoon. The voters of Saint-Hyacinthe gave their verdict on July 8 and, as we are good democrats, we must respect this judgment. All those who worked for my party, on that occasion, have at least the knowledge that they fought an honest fight in this constituency. On another occasion, I am sure that they will want to fight the same way again.

I would like to take perhaps a minute to comment briefly on the speech made by the hon. member for Saint-Hyacinthe (Mr. Wagner). Almost throughout his speech I could see once again the reflection of the Progressive Conservative party in the sense that like his party he is alway late by a couple of months, if not a couple of years. I listened to his speech and I told myself, the hon. member must think he is back on the hustings in Saint-Hyacinthe. But July 8 is passed, there was an election, and we know the results. Or still I could close my eyes telling myself, my God, I must have heard that kind of sermon when I was young. Then I remembered that it was exactly the same tone of voice as used by the bishops in Quebec some 25 or 30 years ago when they were talking to their people. The only difference is that the bishops have changed since.

Unfortunately, the hon. member for Saint-Hyacinthe following faithfully the Conservative tradition is still 25 or 30 years behind in that respect when he said that leadership was the problem during the summer election. The question was indeed solved by Canadians in a clear and firm manner on July 8 last. The hon. member raises again that question of leadership, as his leader did for that matter in the debate on the Address in reply to the Speech from the Throne when he introduced the famous amendment that we know. I understand that the hon. member would want to talk about leadership, and that troubles him. In that area he may be considered an expert and with the problems facing his party I understand very well the aspirations that may torment him once again. I hope that this time he will have enough foresight not to know the

same fate he traditionally met every time he was approached for any leadership position.

This having been said, I will turn to what I would like to say in this debate on the Address in reply to the Speech from the Throne. I will have an opportunity to talk about the steps my department intends to take in the area of health and social security reform on different occasions during this session since we will have an opportunity to debate certain bills which were already introduced for first reading. But I wanted to take this opportunity to participate in the debate on the Address in reply to the Speech from the Throne to point out some of my concerns as well as some of the projects I am considering in my new capacity as minister responsible for the status of women.

As you know this government is strongly committed to the principle of equal opportunity and freedom of choice for all Canadians. At the same time we recognize that the current status of women in Canada does not always lend itself to this principle.

I am honoured to be given the responsibility of guiding government policy in this area and I intend to give a great deal of time and effort to bringing about the necessary changes in our laws and in society so that women and men will both be able to participate fully in all activities of life.

As stated in the throne speech, the government is committed to introducing wide-ranging legislation to bring about equality for women before the law. We are also planning a number of initiatives for International Women's Year in 1975.

During the last session of Parliament, my predecessor as minister responsible for the status of women, outlined the steps we were planning to take at that time. Unfortunately, we were not able to complete our program before that session came to a sudden end. Those measures which we had begun, namely, the amendment of the Canada Pension Plan to provide equal treatment of men and women and the correction of discriminatory provisions in a number of other acts through the omnibus bill on the status of women, have already been re-introduced. It is my hope that these two bills will be speedily passed.

● (1450)

In addition, a new Citizenship Act has been introduced. This bill, among other things will enable children to derive Canadian citizenship from either their mother or father. Under the present law, Madam Speaker, children in most cases take their citizenship from their father only. Other changes providing for equal treatment of men and women will also be made.

Of great importance in our attempts to bring about an end to discrimination will be the establishment of a human rights commission. My colleague, the Minister of Justice (Mr. Lang) will be introducing a bill to this effect before the end of this year. The legislation will set out the principles and procedures under which the commission will operate and will provide the necessary powers of enforcement. I am also pleased to announce that the government intends to recognize on this commission a large representation drawn from women.

The Minister of Justice will also be introducing amendments to the criminal code regarding trials for rape and other sexual offenses. We are all aware that the present law needs changing and updating to provide more protection for the innocent victim of rape. The amendments planned by my colleague would ensure that the details of an alleged sex crime and the name of the victim would not be used in the public press; encourage the greater use of the change of venue or location of the trail. In addition, they would also encourage exclusion of the public from the preliminary inquiry and the trial or portions thereof, and prevent, except in certain limited circumstances, the defense from attacking the moral integrity of the victim.

I should like to take this opportunity to bring you up to date on two other items that were mentioned in the previous Speech from the Throne. As these did not require legislative action, the government was able to carry out its intentions as outlined at that time. Specifically, the various regulations setting out the terms and conditions of employment in the public service have now been amended so that all discriminatory provisions have been removed. Moreover, I am pleased also to announce that a cabinet directive was sent by the Prime Minister to all Crown corporations last May requesting them to undertake positive action to encourage the assignment and advancement of more women into responsible positions and to inform the minister responsible for the status of women of their progress in this respect. We have already received replies from many of the corporations and they indicate a very favourable response. In this respect, it was learned last week that a task force on the status of women which has been set up by the management of the Canadian Broadcasting Corporation would table a preliminary report as early as October 18. It is my intention to get in touch shortly with other Crown corporations to assess what progress has been made as a result of the Prime Minister's letter of last spring.

Another item I should like to refer to is the question of coverage under the Canada and Quebec Pension Plans for spouses who are not in the labour force. This matter is presently being studied by the Canada Pension Plan Advisory Board and the Advisory Council on the Status of Women. I hope to have their reports this fall and will then want to discuss their proposals with my colleagues, the provincial ministers of welfare. I am sure the Standing Committee on Health, Welfare and Social Affairs will also be interested in studying these reports. I can assure the house that it is a problem which has my close attention and I am working hard to find a solution that is acceptable to all.

I am also very concerned about the provision of child care services. As Minister of National Health and Welfare, even before I assumed the added responsibility of directing the thrust of government policy concerning the status of women, I was very pleased to announce that as a result of amendments to the Canada Assistance Plan Regulations in 1972, the full operating costs of day care services became shareable, including costs of equipment and supplies, and rent or depreciation on capital.

For all other welfare services, shareable costs are restricted to salaries and related staff costs. Thus, we participate further in the provision of day care than we do for any other social service that we cost-share with the provinces. We have also approved policy guidelines for

these services which are designed to ensure that federal sharing is available to low and below average income families who need day care services. These guidelines provide for the establishment of income tested programs in line with the recommendation of the Royal Commission on the Status of Women.

Most of what I have referred to so far involves the intervention of the legislator. However, I am very much aware that in order to bring true equality of opportunity for women we need a wide-spread re-thinking of the roles of men and women in our society. I do not think that many people would still want to deny women the opportunity to work as well as men, in whatever field they wish. We all know of women who have made outstanding contributions as businesswomen, doctors, lawyers, Members of Parliament and many others. This afternoon, a woman presides over our debates.

We have also read of those who are working as loggers, truckdrivers and in other areas traditionally assumed to be only for men. Recently we have seen a certain number of women join the ranks of the Royal Canadian Mounted Police for the first time. We congratulate these women, especially since we are aware of the difficulties they have probably had to undergo.

I would like to say here how happy I am to be a member of a party which has succeeded in electing eight female members of parliament in the recent elections. The government party by itself now has three women more than the whole House had in the last Parliament. Knowing the contribution which women have made to previous Parliaments. I have no doubt that the influence on our deliberations of the female members of this House will greatly exceed the influence which their numbers alone would command. And this is a good thing.

I know that other parties also presented female candidates. But it is not enough simply to present female candidates: it is also essential to get them elected. I can say that our party has made a conscious effort not only to recruit female candidates, but also to encourage them to run in constituencies where they have a reasonable chance of winning.

The ever increasing part women are playing in all our political parties is a most encouraging development, and our society should welcome healthy competition among all parties to see who will be the first to give Canadian women their full place. I, for one, am glad to see the Liberal party with a good head start over its rivals, and I know that the members of our party are resolved not only to maintain this lead but to increase it in the coming years. For both at the legislative level, and at the level of social behaviour in general, our society still has a long way to go in recognizing the equality of the sexes in fact as in law.

● (1500)

If there are any who still have any doubts in this regard, I suggest that they take a look at certain earnings statistics published by Statistics Canada. Is it part of the concept of human nature or an inevitable consequence of biology that the average earnings of Canadian women participating full-time in the work force should be about half that of male workers? We can surely imagine a better organized society in which this gap would not be so great.

[Mr. Lalonde.]

Our society in general, continues to assign certain roles to men and certain others to women. For example, from watching T.V., one could get the impression all women were pretty, young housewives who cared only about their waxed floors and sweet-smelling laundry. As long as we continue to assume that the rearing of children and the caring for the home is the only interest of women and their responsibility above and that men do not have to be concerned, we will be denying them complete freedom of choice. It has been said that the reason men are able to succeed in their chosen field is that they have a wife to support and care for them so that they can have time to devote themselves to their work.

But, Madam Speaker, women don't have wives. If they want to succeed in areas outside the home, they usually must take on a double burden.

This stereotyping of sex roles has also deprived men of freedom of choice. The expectation placed on them to succeed in the workplace at any cost, including long hours, has made it difficult for them to participate fully in family life. Our objective must be flexibility and accommodation so that all individuals, both men and women, can assume the role or roles best suited to their personality, regardless of sex. In achieving greater equality for women, we will also be freeing men to share the joys and responsibilities of parenthood.

It is with this in mind that we are planning for International Women's Year in 1975. We recognize that our objectives will not be achieved overnight. The process of changing attitudes is a gradual one and our efforts will continue as long as they are needed. However, we welcome International Women's Year as a time to give special emphasis to the problem.

The government's program has already been outlined in general. It includes an information and educational campaign to bring the issues before the public. There will be both general and specialized regional and national seminars, training sessions and conferences involving people from all walks of life, especially those who have not yet had the opportunity to consider the implications of change.

There will also be special exhibitions and cultural activities, publications and films. An increased amount of funds will be avilable for non-government organizations to undertake a wide variety of activities to mark the year. Legislation will be reviewed with a view to removing any remaining discriminatory provisions. Special efforts will be made to increase the number of women appointed to senior positions and to international meetings and conferences.

We have recently hosted a most successful U.N. Seminar on Machinery to Promote the Integration of Women in Development as part of our contribution on the international level.

The Government has earmarked additional funds in the amount of $5 million for International Women's Year. This amount is over and above funds allocated from within ongoing programs of many departments and agencies.

Given the present economic situation and the restraints upon additional government spending, this allocation of funds is an indication of the importance we attach to the activities we have planned for International Women's Year. We have also established a special secretariat in the Privy Council Office to administer some of the special activities. These activities are being planned and implemented in co-operation with the provinces and with members of non-government organizations to ensure that we reach everyone across the country.

Last spring, the Prime Minister wrote to his provincial colleagues asking them to designate someone in their governments as a point of contact. Already two federal-provincial meetings of officials have been held to discuss plans as well as bilateral meetings with a number of the provinces. In addition to taking part in some of our programs, it is my hope that the provincial and municipal authorities will do their share in reviewing legislation and rethinking attitudes in their respective areas of jurisdiction so that discrimination will be attacked at all levels and in all fields. As Minister Responsible for the Status of Women, I will endeavor to convince my provincial colleagues to encourage their respective provinces to participate most energetically in International Women's Year.

However, to make this year a true success, we need the participation of all Canadians. I hope that, as in Canada's Centennial Year, everyone will undertake a project of their own to promote the integration of women in the life of the country. I see the year as a time for all of us, men and women, to assess our attitudes and, where necessary, change them so that in fact, and not in principle, Canada is indeed a country of equal opportunity for all.

[*English*]

Mr. J. H. Horner (Crowfoot): Madam Speaker, in rising to take part in this debate I should first like to congratulate you upon appointment to your high office. I know that your respect for debate and your sense of fair play will stand you in good stead as you preside over this House. I might say that I believe the same is true of the Speaker himself; his respect for parliament and for fair play will stand him in good stead in the years ahead.

One can read the Speech from the Throne very closely but will see very little to solve the problems that Canada will face in the remaining years of the seventies, or even in the remaining years of this parliament. There is nothing in it to deal with inflation; there is no real indication of any concern for the difficulties faced by the various regions of Canada. It is suggested that by increasing the food supply we can somehow lower food prices, and I shall be dealing with that in a moment.

There is one sure way to cure inflation, and that is to work a little harder, be a little more productive, save a little more, and for all governments to spend a little less. There is no suggestion in the Speech from the Throne that the government is going to encourage Canadians to work a little harder, allow Canadians to be a little more productive, or that the government is going to curtail its spending one bit. The government says it is going to encourage greater food production and thereby lower food prices. An industry very close to my heart has a surplus of beef today, yet the farmer received approximately $120 a head less for a butchered steer than he received a year ago. The cost of meat on the counter is about the same. Where did this $120 go, Madam Speaker? Inflation gobbled it up. The packer took $30 and retailing and distribution costs accounted for $80 or $90. Yet although there is a surplus of meat, the price remains the same for the consumer because the government has allowed inflation to run wild.

There has been a great deal of talk in the recent past about eggs. Some people say their price is high, others say it is low. A couple of years ago we had a bill in the House known as the farm marketing bill, which set up CEMA. The Prime Minister (Mr. Trudeau) went on the radio in Ottawa and said that one man held up that bill for two years. Some consumers might be pretty annoyed that that man did not hold it up forever. I said that it would not work then, and I say it will not work now.

Why do I say that? I am not against marketing boards, but I do not believe that supply management will work in Canada. I said at the time that it might work in a small country such as Switzerland or Denmark; but who is so all-seeing and all-powerful on earth as to determine what should be produced where, and where the product should be marketed? I am not surprised that man should decide he has the wisdom to ship eggs from Newfoundland to British Columbia and somehow or other satisfy the customer. I am sure that if the matter had been left in the hands of the Lord, there would have been fresh eggs in B.C. at a cheaper price than letting man tinker with them. Why did it take the government two years to come to its senses and to realize this? I think the beef and hog producers are thankful that the bill does not apply to them, because man could have tinkered in their markets and made those markets even worse than they are today.

So far as government spending and a hard line on finance are concerned, thhe money supply has not been increasing in Canada during the last three months. But this, coupled with a wild extravaganza of spending, only creates greater hardship on the individual and the country—and it does not really matter which country it is. The individual has to pay higher interest rates because there is less money available, and the government is grabbing a great percentage of the amount that is available. That is what the government has been doing in the last three months—curtailing the money supply but not curtailing spending.

● (1510)

If the government did take a hard financial line it would improve the bond market, and anybody who has any knowledge of that market knows how bad it is. Perhaps such an attitude would improve the stock market, and anybody with stock other than the four-legged kind knows how bad it is. Perhaps this would improve the short-term interest investment field, allowing millions of Canadians to retain a little more money and thereby increasing the productivity of this nation. This is the only real long-run cure we have for inflation.

There was also mention of a transportation policy in the Speech from the Throne. Apparently the government has come around to thinking there should be greater competition between various modes of transportation. It is nice that it has come to its senses in this regard, but let us remember what happened in January of 1967. From Janu-

ary 9 to January 29, 1967, we heard speech after speech about transportation. At that time I suggested the National Transportation Act would not serve those regions of Canada where there is no competition between various modes of transportation. I repeated this fact over and over, but the government of the day plowed blindly ahead, saying that competition was sufficient. At that time I said the National Transportation Act would throw the prairies and the maritimes to the wolves—and history has borne that out. I will certainly be watching to see what action results from the reference to transportation policy in the Speech from the Throne.

I am more concerned about where Canada is going from this point on. In the late 1970s and through the 1980s Canada will be entering a period of unusual potential: we will have a highly mobile and well educated group of young people with a tremendous potential for production. Hopefully, we will not have significantly eroded our natural resources, perhaps mainly because of their abundance. Hopefully, we will have our population growth under relative control, at least to a greater degree than many countries throughout the world. I am sure we will see a keen worldwide demand for our foodstuffs as well as our raw and processed materials.

Perhaps the best thing of all will be our ability to attract capital through bond and debenture borrowings, based on our natural advantages, particularly if we manage to maintain a firm Canadian dollar. I think we can become more capital-intensive and prosperous without losing our equity ownership. I am sure we will be able to borrow on debt financing, but certainly we will not have to borrow for equity ownership if we provide an incentive for Canadians to earn more and to save more. We must ensure that ability to earn without allowing this government to take back all the earnings.

Let us take a real look at the situation in this country compared with countries around us. Many countries possess enormous natural resources and natural assets, but many of those countries have poor standards of living, far below the dignity level of most human beings. Why is it that Canada, with its natural resources, should and can enjoy a quality of life comparable to none? I suggest the answer to that question lies in the fact that our greatest resource is our people, their attitudes, morals, courage and ability. They have done much to appreciate and develop their skills. If we carry on as we have in the past, we will be discouraging these people. They will become reluctant to develop their skills and talents and will be more prepared to sit on their fannies and wait for the government to provide for them.

An hon. Member: Oh, oh!

Mr. Horner: An hon. member take exception to that. I suggest he consider that Germany was burned out during the Second World War and rose afterwards to become a wealthy trader and financial house. I suggest it did so because of the desire of its people to improve themselves.

We in this country have listened to people who say we can redistribute our skills and talents in one way or another in order that everyone may attain some kind of equality. I suggest it is pretty difficult to redistribute skills, natural aptitude, talent, tenacity, courage and moral strength. There are two basic directions we can take to tackle our mounting problems; one is socialistic, with state participation in all sectors, and the other is through a free market economy with over-all state control. Canada's greatest danger at the present time is that we are attempting to correct the situation which we recognize in this country through the socialistic route, that is, with direct intrusion into economic decision-making by all levels of government. This route is fraught with danger and is doomed to failure.

The fatal problem with this route is that the privilege is simply taken from the classes who have it now and is given to those who would like to have it. My friends to the left say they do not swallow this argument. They should consider for a moment the continual federal government interference in every economic decision in the past eight years. I refer to the egg marketing fiasco as a perfect example, but one could find similar examples in respect of oil, manufacturing, farm produce marketing and a host of other industries.

The basic problem does not change. All we see is a shift taking place. Communism, the inevitable result of state interference, is an archaic form of economy for an advanced nation, and it will provide benefits only for the immature and primitive society. If Canada is sincere about owning its own means of production, I suggest this is a simple thing to accomplish. To do so we will have to forgo some of today's benefits, making more effort to assemble capital. Since the government is the largest consumer of capital, this also means we will have to examine government expenditures with a great deal of care. Do we prefer to spend a great deal of money on those things in which the government is involved, or do we prefer to use the money to increase equity ownership? We cannot have the government doing everything for everybody and still have a country which allows John Q. Citizen to retain more money with which to purchase a portion of the factory or industry in which he is working.

We must ask ourselves whether it is wise to leave earned capital with those who have the ability and the skill to employ it and who wish to expand or transfer those funds for political purposes into areas of Canada where there is no possibility of development taking place. I listened to the speech which the Minister of National Health and Welfare (Mr. Lalonde) has just completed, but heard not one word about developing Canada. He did not refer to the need for creating greater productivity in Canada. His was a good speech and he said some things that needed to be said, but he simply repeated what has been said by every government member who has spoken during this debate on the throne speech.

We cannot allow this great country to take the direct and negative route of controls. We must take the route of saving capital and streaming those savings into equity. Since in a rapidly changing society commodities have an average life span of less than ten years, if we move now we can become the owners of most of the equity within Canada.

Let us consider the situation in Japan, country with a very small land mass. It has very industrious people, with one of the fastest growing economies in the world. Japan has attained this position under what might be considered

hopeless conditions compared with what we enjoy in this country. I suggest the basic secret is simple and obvious. The secret has a direct relationship to the attitude of the people. To some degree we have witnessed the erosion, by one government or another, of the attitude of the Canadian people compared with what it used to be, that is, a true blue Canadian attitude. One might refer to it as the working philosophy. It has been called many things. We must put greater emphasis on people. We must exhibit a keen desire to allow people to manage themselves. We must allow them to make a few dollars and determine how they should be spent.

● (1520)

I have often in the past thought that we have spent too much money in an effort to provide a higher quality of life to everybody, without encouraging people to make a contribution toward Canada. The federal government should show leadership in a positive direction by setting goals for the ten provinces, instead of being involved in judicial brawls concerning who should hand out most of the money to the taxpayer. One could cite, over the years, examples of government interference with the provinces. In one instance a court case is in progress: the Saskatchewan government is involved in a court case with the federal government. One need not mention the situation in respect of Alberta. Newfoundland is becoming involved at the present time. Instead of Ottawa being the referee, in far too many cases it has become the participant, competing with the province when the province is attempting to share in whatever prosperity there might be.

When Canada has needed a powerful central government to settle a dispute, the government has had to compromise its position because it is involved in the dispute. Decision-making in our country should be brought down to the lowest level. State socialism has a tendency toward the opposite. Private enterprise follows the proper course. We must begin to recognize some of these things. My friends to the left never agree that John Q. Public can make the right decision: they want to make it for him. Invariably, it takes three or four minds to carry out what John Doe could have done himself, and much more efficiently. Until a better control system is formed, the open marketplace, although it may have many difficulties and cause much concern, is still the best system and should be more adequately supported in Canada.

We might consider CEMA and the egg situation for a moment. Surely one can realize the difficulty. One might ask, how many eggs are 20 million? I do not look upon that as a great number, but I do consider it to be a great loss in human time when we consider that eggs can be shipped from Newfoundland to British Columbia at a cost of 19 cents. We may think we can interfere everywhere. We might be better off to study Hardin's law, which is simply that if the government makes one interference, it must make two or three more in order to catch up to the first one, and then it becomes a perpetual thing.

We have heard a great deal of discussion in the past few years about foreign investment. I think the amount of foreign investment which has taken place in Canada is alarming. From 1966 to 1969, the net capital inflow from the United States to Canada was $2.5 billion. The net capital outflow to the United States in interest and dividends from Canada during that period was $3.6 billion. We had a minus situation of $1.1 billion. I am alarmed at that. Seventy-six per cent of all companies in Canada with assets of over $25 million are foreign-owned. We should start doing something about this situation. Very little was said about it in the speech from the throne. I am concerned about the route we should take. The only practical and positive route would require patience and courage.

Intelligence and firm leadership is required, rather than immediate haste on the part of governments, which forces people out of foreign investment and also encourages Canadians to leave. This only brings about a greater degree of loss to Canada than is necessary. As I said earlier, any new product has a life span of something like ten years. Slowly and surely we should give Canadians a clear indication that they can invest, and they should be encouraged to invest, in Canada.

In order for Canada to control a larger portion of its destiny, we should not be afraid of multinational corporations. We should make certain many of these multinational corporations are owned by Canadians, particularly those who do business within Canada. In order to do this we must have low-cost capital. We have not had this in Canada because in many cases we have driven it out. This capital must be available at a competitive price, for a long term. It is more important to have equity capital than debt capital, since if we manage ourselves properly we can always borrow money.

I believe it is extremely important that Canada should have such equity capital. We are now concerned about the oil industry and that we may be net importers of oil by 1983 because government in the past two years has successfully driven out a huge portion, well over 50 per cent, of the skills involved in the oil industry. It would probably take another four years to entice them back to Canada to go to work and carry on exploration for oil.

Because of the nature of the society in which we live, Canada always has had a good supply of professional skills in the field of applied research and applied science. If we do not create the right climate for these people in Canada, they will leave. We also have had some difficulty with our Canadian banks. The Gray report pointed out clearly that Canadian banks have been more prepared in the past to lend to foreign concerns than to Canadians. They do not seem to trust the people who have special skills in applied research, and so on. We do not seem too think they are as great as people from another country.

The fundamental requirement for attracting capital and people, and trusting the judgment and skills of these people, is to create the proper environment in which the capital and knowledge can be put to work. Environment, in this case, can be defined as the position our government takes toward business and the marketplace system. The government should state its position as clearly as possible and deviate as little as possible over the longest possible term.

It is becoming increasingly important for the federal government to state its priorities, one of which should include an industrial policy. A clear enunciation of priorities should be given the Canadian citizen so that he may determine where is the best place to concentrate his effort or whether he should bother making any effort at all. One

might consider what has happened in Canada in the past few years. We had a white paper on taxation which caused havoc in this country. We had the farm marketing bill which caused havoc in respect of the marketing of agricultural products. Then we had the involvement of the government, in one form or another, in manufacturing. Now we have the government's hand in the oil industry and we are told that by 1983 we may be a net importer of oil, while we have an abundance of oil resources.

What should an industrial policy include? Any policy being considered by Canada should be, in the future, only a Canadian policy if it is to be truly beneficial to the country as a whole. Why should we devise an industrial policy any other way? Regional policies will increasingly have a divisive effect in Canada. Every one of us in this House can think of policies which have been devised in the past which have been regional in concept. An industrial policy should be truly Canadian. We had an industrial policy which applied to regions all across Canada, within certain boundary lines. Some provinces were included, some not at all. This tends to divide.

● (1530)

Bargaining away any of the resources produced in one part of Canada to confer a benefit on another part of Canada is a dangerous act and leads to obvious divisions in the country. All parts of Canada are sufficiently sophisticated to understand the results of this type of action and should recoil against such political manoeuvring. As I was saying, this is a most dangerous route. Primary industry, resource industry and manufacturing industry which have an advantage in world markets should be encouraged to reach their highest economic level and bring maximum value to Canada as a whole.

Another recent alarming trend which I have observed is the sudden building up of tariff barriers. An industrial policy must state clearly our recognition of the fact that the world has been moving toward a system of lower tariffs and lower barriers. Canada is as yet a reasonably high tariff country and we will be under increasing pressure, as we have been in recent years. The other day I listened to a commentator speaking following the news on television. He asked, "What are we doing? Are we getting into a trade war?" One hears a lot of talk these days about a depression, but certainly if a depression takes place it will be preceded by a trade war. In my opinion, no commentator should be sitting in a high place, looking down at Canada, and asking, "Is this what I am seeing, a trade war?" An industrial policy should shy miles away from such a situation. We are master traders and we should be proud of our skills and our ability to sell. Certainly, many people derive their high standard of living in Canada from using these abilities.

I dealt earlier with the foreign takeover of a number of Canadian companies. In the past we have seen many takeovers of the Canadian economy by American corporations. Probably in the future the only change will be that the purchasers will be Japanese, German or nationals of other OPEC countries moving into Canada. If anyone is to be blamed for the loss, it should be the Canadian financial community, the people who control the money, not Canadian businessmen. Many members of the House have condemned our businessmen. However, in many cases it is not their fault; it is the fault of the people who are supplying them with the money. Where does the money come from to make purchases of Canadian companies? Studies indicate, as I stated earlier, that the greatest portion of these funds comes directly from Canadian banks. Canadian depositors have supplied the necessary funds for foreign takeovers. This was pointed out in the Gray report.

Businessmen are well aware of the fact that if a company can finance through relatively low-cost debt, then the value of the equity—that is, the share portion of the company—increases correspondingly. Generally, it is this lever which the company seeks for the investment of foreign money. In other words, we want to use foreign money for operating capital, but not necessarily equity capital.

I know my time is nearly over, but I should like to emphasize this particular point, that in the past we have seen the Canadian government attempting to take what might be called the political route, or a simplistic approach, of simply prohibiting takeovers by law. The problem of prohibition by law is that the entrepreneur becomes wary of initiating a business in the first place and decides, very wisely, to work instead for a foreign corporation or for the government. That is exactly what has happened. When you suggest you will prohibit a takeover, you automatically devalue the business concerned and automatically discourage someone from going into the same business. You destroy a little of the initiative, skill, tenacity and courage about which I spoke at the beginning of my speech.

The only approach that will work is to provide the Canadian entrepreneur, executive or proprietor, who wishes to build a Canadian corporation with a better deal to sell to a Canadian rather than to a foreigner. This keeps him motivated, and Canada keeps control of her industries. Unfortunately, one of the difficulties in developing Canadian industry is the staggering overhead of carrying the cost of Canadian government. This overhead shows up as one of the civilized world's highest tax burdens which falls increasingly upon Canada's productive middle class. How many times have I sat in the House in the past few years and heard it said that this or that budget is increasing the burden on the middle class! We cannot do that forever or we will kill the goose that laid the golden egg.

The salaries of people in the middle class are taxed at a higher rate in Canada than they are in the United States, and so are many of our companies. One cannot penalize a younger person who has initiative and drive for seeking out the highest reward for his efforts and services. These people do not really mind living south of the border, and in fact many of them go there and have gone there. We speak about the brain drain in this country. How many times has that expression been used here in the House? We have not really applied our thinking in considering the pieces of legislation we have passed, to finding ways to curtail the brain drain. In fact, in the past this trend has accelerated because of lack of a clear industrial policy, lack of a policy on foreign investment in Canada.

I see, Mr. Speaker, that you are ready to rise. I have many more thoughts to express to Canadians, but I will take some other opportunity to do so.

Some hon. Members: Hear, hear!

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, in rising for the first time as a minister to take part in the debate on the Speech from the Throne, I should like, first, to express the wish that His Excellency the Governor General continues his recovery and that it be a full and speedy one. I also wish to compliment the mover and the seconder for their excellent addresses and, above all, to compliment this House on its wise choice of Mr. Speaker, whom I know personally and whom I hold in high regard, as does every member of this House. Also, I should like to thank all hon. members for their good wishes. I appreciate their thoughtfulness and I trust this spirit of goodwill will illuminate all the debates in the House and in the committee relating to my portfolio.

In this new job of mine, I wear three hats: as Minister of State for Urban Affairs, as the minister responsible to parliament for the National Capital Commission, and as the minister responsible for housing through Central Mortgage and Housing Corporation. In the time available to me today I want to deal with each of these areas of responsibility, if time permits and hon. members will allow me.

The urban affairs ministry is the agency which provides the communication links among all levels of government and among all government departments and agencies which have an effect on the urban environment. The National Commission has a special responsibility for the national capital area as an urban community which has a very special significance for all Canadians and of which they can all feel proud. In another sense, it is a model community, a showcase within which the results of imaginative and innovative urban planning can be displayed. CMHC is an agency through which the government fulfils its obligations to ensure that all Canadians have access to good housing and a healthy and satisfying community environment. It administers a capital budget of substantially more than a billion dollars, but it is not simply a banker. It is in fact an instrument of the government's social policy in the field of housing and community planning.

● (1540)

During the past three years under my two distinguished predecessors, the Ministry of State for Urban Affairs has led the way in establishing a system of trilevel consultations involving the three levels of government at the national, regional and local levels. That system is a key element in our joint response to urban problems, and it is one of the mechanisms used to get more benefits, more cutting power out of our individual but harmonized efforts at managing urban growth. It means that the federal, provincial and municipal governments work with a common purpose, rather than at cross-purposes.

For the past 30 years Canada's rate of urban growth has outstripped that of every other western industrial nation and, if it continues at its present rate to the year 2000, we will be 90 per cent urbanized, with half of all Canadians living in Toronto, Vancouver and Montreal. Clearly, this startling rate of growth is intensifying urban problems and spawning new ones. That, Mr. Speaker, is where our collective response must be directed—toward managing this rapid, unbalanced growth, not by imposing decisions on people but by providing attractive options. To meet this challenge, the concerted efforts of the federal, the provincial and municipal governments must be based on sound and achievable urban objectives, not vague theories or ill-conceived plans. I am happy to say we reached consensus on the general nature of those objectives at the second national trilevel conference in Edmonton last October.

We are concerned with the pattern of urbanization and the distribution of our urban population. We are equally concerned with restoring and improving our older centres to develop the kinds of services, housing and amenities they often desperately need to make them attractive places in which to live and work. But concern is not enough, and therefore we have developed many elements in our response to the urban challenge.

The Railway Relocation and Crossing Act, for example, has tremendous potential and we intend to exploit that potential to the fullest measure practical: to restore and revitalize our communities; to provide space for housing, for parks, for rapid transit corridors, for new commercial districts. This federal participation is in full recognition of and respect for provincial jurisdiction and with provincial priorities fully considered at all stages.

Another illustration is the new policy which now governs the management of federal urban lands and that includes a substantial amount of prime land in major centres. The federal government, as a major land owner in most Canadian cities, has reviewed its role as an "urban citizen" and defined a new set of policies governing the management of federal land and properties. We will ensure that the redevelopment of federal properties takes place in the light of their best urban use, rather than narrow, primarily financial considerations. These new policies will ensure that federal land as much as possible remains in the public domain. Further, local communities will be consulted during the analyses that will take place in planning the re-use of these land holdings.

Needless to say, the management of urban growth must take place within the context of regional growth strategies. They are as necessary to the effective handling of urban growth as is the trilevel co-operation in which we are actively engaged. Consequently, the federal government, through the Ministry of State for Urban Affairs, CMHC and other departments and agencies, is involved in supporting the development of growth strategies for a number of urban regions, and it will support many more in the future as the provinces and municipalities formulate their plans.

One very special kind of planning is required in our port cities. We have a chance to reclaim our waterfronts, restore them to the use of our people and improve the capabilities of our ports to compete in world trade. The urban affairs ministry, together with other federal agencies, is examining the critical question of how port activities relate to and affect other urban functions. We have begun to do this, for instance, in Vancouver, Montreal, Thunder Bay, Halifax and Quebec City.

Mr. Speaker, I have given just a few tangible examples of how this government is proceeding with an effective response to urban growth in particular and to urban prob-

lems in general. It is a response which involves many federal agencies. It is a response which commits us to genuine and effective consultation with other levels of government. It is a commitment which I intend to carry out fully.

With regard to the special planning opportunities within the national capital region, I should like to remind the House, Mr. Speaker, that the NCC has had, and will continue to have, a major impact on the development, functioning and quality of life in this area which, apart from its national significance, is also a thriving city. In fulfilling this role, the NCC is proposing two interrelated federal development strategies—one for the heart, or core, of the capital and the other for the capital region as a whole.

A major objective of the core area planning is to link, physically and economically, the centres of Ottawa and Hull as the strong and dynamic heart of the national capital region which reflects and respects Canadian cultural life styles—a vibrant capital in which all Canadians feel at home and of which they are part. The major elements defining the image of the capital—the parliamentary, judicial and cultural institutions, as well as a major part of the federal administrative function—will continue to be located in the centre of the capital. At the same time, we will seek a diversity of land use in the core area, emphasizing residential use, as well as governmental, retail and other business activities.

In the wider national capital region, in face of the pressures of present and anticipated urban growth which could threaten the very quality of life as well as the role of the capital region, the NCC is proposing a framework of development for the next three decades, just as the Greber plan did for the last two decades. The planning concept for tomorrow's capital is not meant to be a master plan but, rather, a working document designed to focus intergovernmental and public dialogue toward a common set of development objectives. This document will be released within a few weeks. Such consensus is crucial at this time because of the various planning activities under way by other levels of government and groups in the capital region. A further study bearing on the development of the national capital region is the Fullerton report. This study deals with the administrative and organizational framework for the capital. In light of all these recommendations, proposals and plans affecting the area, the government is committed to the establishment of a special committee of the Senate and the House of Commons to consider questions relating to the future of the national capital region.

I would like to speak now for a few minutes about another extremely important aspect of my responsibilities, the goal of putting good housing within the reach of all Canadians in all parts of Canada. This year, because of economic conditions which are common to all countries, the housing industry in Canada will not be able to maintain the remarkable record of growth which has been established over the last few years. I will deal, in a moment, with the present housing situation in Canada and the action which the federal government is taking, and will take, to deal with it.

When I suggested a few days ago, Mr. Speaker, that Canadians, by and large, are among the best housed people in the world, some hon. members opposite seemed to express some skepticism. That is their job. I should like to return to that theme now, very briefly, by citing some accomplishments of the last six years during the term of this government. During that time, Mr. Speaker, 1,350,000 new homes were built in Canada, while in the same period 700,000 new families were formed. We have not only been keeping up with the needs of new families for homes; our building rate has been almost twice that of family formations. This is fortified by the knowledge that in the last four or five years we have had no place in the bedrooms of the nation.

Mr. Gillies: No bedrooms, that's all.

Mr. Danson: In human terms, this represents not just 1,350,000 housing units but homes for almost 5½ million men, women and children. This record has been achieved, Mr. Speaker, not only by sound housing policies but by a housing industry which, in terms of efficiency and productivity, is among the best in the world. I want to preserve a competitive, viable house building industry in this country as an essential partner with government in fulfilling people's needs. It is a strong and efficient construction industry and financial community in this country that will deliver homes to Canadians.

It is my intention to use existing programs, and new ones which I am developing, to stimulate this sector and to make certain that it is productive, competitive and responsible. Governments do not build homes, builders do. We must provide the climate and support to make certain they do so for Canadians of all economic groups. We must exact the maximum leverage from every public dollar spent to unlock the greater resources of the private lenders and builders. The Economic Council of Canada told us that if we were to meet the needs of Canadians, we would have to build a million homes between 1969 and 1973. We accepted that challenge and we built 1,153,000 houses in that period, exceeding the ECC target by a substantial margin and surpassing 200,000 units every year.

● (1550)

I know very well, Mr. Speaker, that it is not enough just to build houses. We have to build the kind of houses people need and can afford. In the six-year period from 1968 to 1973, we produced more than a quarter-million units of housing for low income people, at an investment of well over $2.5 billion. If the significance of those numbers is not evident, let me add that it is more than three times as many low income homes as were built in the previous 22 years.

Housing itself, of course, is not our only concern. In the same six-year period we responded to the demand of Canadian municipalities for almost $.5 billion in loans for sewage treatment facilities, and wrote off 25 per cent of those loans as an investment by the federal government in the interests of clean water and soil and good urban planning. That is a record of which any government can be proud. It is still a matter of deep concern to me, and to the government, that good housing is not equally available to all Canadians throughout Canada; but we have made significant strides towards that goal and we are constantly increasing our efforts. If we have to weather a few bad

months because of the prevailing economic climate, I see no immediate cause for despair and I am confident that before long we will regain the momentum which we have built up over the last six years.

I should like to share with hon. members the facts of the housing situation as it exists today and at the same time describe the actions which the government is taking and proposes to take to change the situation. Because of rising prices, high interest rates and the reluctance of private lenders to commit mortgage funds, the annual rate of housing starts is substantially lower than the record levels of recent years. We have attempted to improve the supply of mortgage funds in a number of ways. First, through the Assisted Home Ownership Program we have made public funds available to finance housing where it is most needed, good housing for people of low or moderate incomes. In spite of those who cried that it would never work, AHOP has been, so far, the most successful of our new social housing programs. I am grateful to my predecessor for introducing this program and for showing industry and the people of Canada that housing can be built at lower prices.

During the first nine months of this year we committed some $450 million for the purchase of 20,000 homes for some 80,000 Canadians. About half of these homes were new construction. Because of the remarkable success of this program, the available funds have been taken up sooner than we expected. However, I want to assure the House that as soon as additional funds become available, AHOP will be continued. Before the start of the next building season in the spring of 1975, new initiatives will be introduced to complement this very successful program.

So far this year CMHC has made direct loans amounting to more than $568 million to finance more than 27,000 homes—about two-thirds of them new construction. I announced a few weeks ago that we were prepared to put up $50 million at 8 per cent if builders in some of the larger cities would build housing for rent at agreed-upon moderate rates. I said at the time this would not be a panacea but one important initiative in dealing with a complex problem. It is evident, however, that it is not possible to fund all the new housing in Canada with public money.

Earlier this year we secured the co-operation of private mortgage lenders who agreed that high ratio loans should be available only for housing in the middle and lower price range. The lenders agreed that, for more expensive housing, down payments would be at least 25 per cent. At a time when mortgage capital is not readily available, this agreement has the effect of directing our financial resources to the creation of modest housing for more families, a strategy more consistent with our over-all national housing objectives. Over the years, the federal government has introduced many measures to encourage private investment in housing. Under CMHC mortgage insurance arrangements as provided for in the National Housing Act, private approved lenders made some $1.5 billion in loans to home buyers last year.

Last year legislation was passed to create the Federal Mortgage Exchange Corporation and to permit the creation of private mortgage investment corporations. These measures are intended to make residential mortgages more attractive and convenient as an investment and to bring more investors, particularly small investors and a largely untapped source of non-equity foreign investors, into the field. We must continue to seek new pools of capital which can be tapped for housing money, and step up the flow from existing sources. I have always felt that pension funds should be much more active in mortgage investments. I know their participation in housing has increased, partly because of the persuasiveness of my predecessors. But I do not think the full potential of these funds as a source of capital for housing has been reached, not by any means. I am going to pursue that possibility. I think the time has come also when we should consider seeking housing non-equity capital from outside Canada in a more active and deliberate way.

As a further step toward making better use of private resources, our success with the Assisted Home Ownership Program suggests to me that if it is going to achieve its full potential in enabling Canadian families to buy their own homes, ways may have to be sought to make use of private as well as public capital under similar terms and conditions. In this way, assistance could be extended to twice as many families than if we were dependent only upon available public funds. At the same time, the private sector would be further stimulated.

As a general benefit for people who are purchasing modest homes for the first time, the government has proposed a grant of $500 as a way of offsetting the building materials' sales tax, for people who are most in need of help. This was referred to in the last budget and I anticipate it will be proposed to the House again as soon as resources permit. I believe the proposal to inaugurate a registered home ownership savings plan is in the same category. I have great expectations for this plan, which would give a very substantial tax saving to young people who are saving to make a down payment on their first home. I would also hope that a means could be found to see that these funds, or a substantial part of them, are invested in residential mortgages, to further augment the capital supply and the housing stock and complete the cycle for which that money is being supplied.

We will, of course, continue our support and encouragement of provinces and municipalities for the public assembly of land to which we have committed $500 million over five years, particularly those projects which promise a quick addition to the supply of serviced land, and on terms which will encourage municipalities to speed up planned residential development. The first of this land will shortly be appearing on the market. We are beginning to see the results of that fine program which should assist us in a major way.

In that regard I propose to reintroduce into the House legislation which will continue to improve the federal program of assistance for sewage treatment facilities. As a means of helping to increase the supply of serviced land, storm trunk sewers will be eligible for assistance for the first time where they help open up new areas for residential development and provide lower-cost housing lots. This legislation continues the forgiveness provisions to the provinces and municipalities.

Hon. members are very well aware of the wide range of social housing programs now available under the National Housing Act. I have already referred to AHOP, which can be of special benefit to young families. Another important approach is through what has become known as the third force in housing, housing provided not by the government, not by the conventional housing industry but by local people helping themselves. Very often this housing is created for the elderly or for the physically or mentally handicapped. We give these public-spirited sponsors 100 per cent financing at favourable rates, a 10 per cent capital write-down and substantial grants to help plan projects and get them started. With this kind of help, of course, we expect these groups to create housing that will rent at a price somewhat below market rates and reflect interest subsidies and grants which are provided with public funds. We are now looking at other ways of helping these third force groups, particularly ways in which land could be made available to them at a lower cost, especially near the central cores of our major cities.

I am pushing ahead energetically with the program of rural and native peoples' housing which my predecessor announced in the last parliament and under which we are committed to create or rehabilitate, with the fullest possible co-operation of the local people, a total of 50,000 homes over the next five years. This program requires the agreement and participation of provincial governments, and I am pleased to say these negotiations are proceeding and agreements should be reached with most provinces before the end of the year.

For many people, of course, the only solution to their problems is public housing provided at rents geared to their income. I am sure this kind of solution will continue to be needed for many years to come. However, we are continuing to seek new ways of applying this program, particularly arrangements which will avoid creating so-called ghettoes and which will integrate public housing clients into the community without incurring any social stigma, and also enriching the lives of those people and their children.

● (1600)

All these programs offer the people of Canada not only help with their housing problems, but the widest possible range of options to select the kind of housing they will occupy and the way they will occupy it as owners, tenants or members of co-operative organizations. I do not agree that everyone is entitled, as a matter of right, to be provided with a house of his own by the government. I do believe, however, in equality of opportunity and that all Canadians should have equal access to the same options for solving their problems.

I believe that people, like governments, in selecting their options in these times should exercise restraint. I think there is adequate evidence that some of our present difficulties are created by a minority of people who have heated up the housing market by repeatedly trading up to larger and more expensive houses which bear no relation to their essential needs and sometimes not even a relationship to their cost.

I wish to conclude, Mr. Speaker, by reiterating the view of this government, that even though housing is a critical element in the economy of the country, it is not simply a commodity to be bought and sold according to the winds prevailing in the marketplace. Because it is an essential factor in the fundamental physical and social well-being of people, housing must be the subject of deliberate, consistent, long-term policy. This is why I reject any suggestion that housing funds are turned off and on to manipulate the economy.

Our financial commitments have not fluctuated; they have been consistently increased. Certainly, we must always be aware of the demands which housing makes on capital markets, its effect as a stimulator of employment and as a catalyst in the sale of a wide range of capital goods. These considerations, however, must be carefully weighed-off against a preeminent concern for people's immediate and urgent need to be decently housed, a need which cannot be deferred or delayed to accommodate economic or fiscal mechanisms.

Though I am a new minister, Mr. Speaker, I have the great advantage of being a member of a well-established firm. I mean, of course, the present government. It is a firm which, with respect to housing as in all other matters of public concern, enjoys the well-founded confidence of the people of Canada. Many Canadians are concerned just now about their current housing problems, but they have resisted and will continue to resist the efforts of those people who would magnify these difficulties into a national crisis. The people of Canada have confidence, Mr. Speaker, in a government which during its term of office has seen the creation of new homes for 5½ million people, far exceeding the population growth and the rate of new family formations.

The people of Canada have confidence in the government which accepted the challenge of the Economic Council to build a million homes in five years and exceeded that target by a healthy margin. The people of Canada believe that our present housing problems can be solved, and they believe they will be solved by the government which during its six years of office built three times as many low-income homes as were built in the previous 22 years.

The people of Canada expect solutions from the government which introduced assisted home ownership, neighborhood improvement, residential rehabilitation, rural and native housing, the widest range of far reaching social housing programs ever introduced in Canada and, I suggest, in most countries of the world. The people of Canada know that our housing difficulties will not be overcome overnight by some simple device pulled out of somebody's hat. It will require a sustained attack on many fronts, not by a single minister but by the whole federal team working with other governments, the financial community and with industry and people at the neighborhood level.

That is what the people of Canada expect of this government, and that is what they will get. They have every reason to face the months ahead with confidence and good hope.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, this afternoon I want to say a few words about United Aircraft of Canada Limited. The tragic unfolding of the

United Aircraft story is a sad but perfect example of the problems of foreign ownership in Canada and the related failure of the federal government's corporate give-away programs to create permanent benefits for the people of this country. I will come back to this statement later, to justify it.

What is United Aircraft producing here and in the United States at this time? They are producing an exceptionally fine engine which was developed in Canada. The research for that engine was financed largely by the Canadian taxpayer, and the innovative ideas came from Canadian scientists and technicians. These engines can be used in small planes, helicopters, turbo trains, hovercraft and, of course, STOL aircraft. I am informed that by 1970 the company's production of this engine had cornered virtually 70 per cent of the world market in its class. All things considered, it is an exceptional accomplishment.

How was this project financed? Since 1965, the federal government, under the defence industry productivity program, approved $108,563,239 in grants. That was not loans, but outright gifts from the taxpayers of Canada. The company did, of course, put up some capital on its own. What has transpired since January of this year with this company in Longueuil? Early in the new year there was a strike. There can be no doubt that the reason the strike has persisted since the beginning of January, 1974, until now, the middle of October, is the profoundly anti-labour, anti-trade union policy of that company. The outstanding issue is the non-acceptance of the Rand formula, the recognition that once a trade union is democratically established, the check-off system for all members of that bargaining unit should automatically come into play. This formula has been accepted for more than 20 years by 90 per cent of all companies in Canada, where unions exist, as being an entirely equitable arrangement for working people. However, United Aircraft, both in Canada and the United States, rejects this highly civilized process for bargaining.

I want to put on record the attitude of this company's president toward the employees who produce these engines. I quote from an article by Wilfred List which appeared in a recent edition of the *Globe and Mail*. On the question of the democratic right to have a check-off, the company president said:

> Why should the union officers sit on their asses in their offices while we collect the dues?
>
> They already have the voluntary irrevocable check-off . . . So to hell with them. Let them work for the dues.

That is the president of United Aircraft of Canada Limited. That is the man who is responsible for a nine-month old strike. As I said a few moments ago, that kind of attitude at the management level went out of virtually all companies in Canada some 20 years ago. However, it remains firmly embedded at the top of United Aircraft.

● (1610)

The Quebec labour mediator appointed by the minister of labour of that province has described the company as being, to quote him, "intransigent" on this issue. He said he was told by the company that even if the men and women out on strike accepted every company proposal—wage levels, pension benefits, you name it—management said they could not, and would not, accept the Rand formula. Hence the description of the mediator appointed by the minister of labour of the province of Quebec of the company's attitude as being "intransigent", which I think is absolutely correct.

It is clear that the principal concern, in terms of labour matters, of this company that is owned in the United States is not its workers in Canada but the 60,000 employees it has in New England, principally in the Hartford, Connecticut, area. Those employees are now negotiating a new contract because their old one runs out some time next month, and the principal concern of the employees of the corporation in the United States is exactly the same as that of the Canadian workers in Longueuil, Quebec. That is to say, they want the check-off principle established. They want the democratic right to have dues collected from all members of a trade union accepted by the majority in a plant who benefit from that union's negotiations. It is clear that this company is using its Canadian workers as scapegoats for the real battle that it plans to fight and which it is now getting under way in the United States with its 60,000 employees there. Canadians are suffering because of a corporate concern outside our own borders.

In permitting this inhumane treatment of working families in Longueuil, what have been the economic consequences of this shutdown for some nine months? First of all, the company has admitted that it has shifted 40 per cent of its production from Canada to the United States. This point is not new, and it ties in with federal financing through gifts of this kind. When work was commenced on this engine project in the first place, after the engine had been developed at Longueuil, the first international sale in the range of about $1 billion was made to Iran. But instead of the sale being made by Canada, which had developed the engine, the company decided to build a new factory in West Virginia and to produce all the engines for sale to Iran in the United States. I have not checked the number, but my guess is that the number of employees working in the United States as a result of Canadian developed technology exceeds the number who are working in Canada.

As I have said, within the last nine months the company has transferred 40 per cent of its production to the United States. What does the company intend to do next year? According to a company official who was quoted in last Wednesday's Montreal *Gazette*, the company plans a 35 per cent reduction in production next year. According to that company official, the federal government has been kept informed all along of this cutback decision, and has been informed of the company's plans for next year.

In the House today, the Minister of Industry, Trade and Commerce (Mr. Gillespie) tabled a letter that he proudly held up and contended offered assurances to workers in Longueuil and to the people of Canada regarding their future prospects. This letter came from Mr. Stephenson, the president of the corporation. It was mailed last Friday, and I suspect driven down here at the minister's request. He probably got on the phone last week, after being questioned in the House, and said; "Please give us some wonderful assurances about your Canadian plans". He then got this letter from Mr. Stephenson. I do not think I exaggerate when I say that, in substance, it is worthless in

terms of providing any effective assurances that work will be continued in Canada.

In the first substantive paragraph of the letter, which is the second paragraph, the head of the company assures the minister that it will begin to repatriate the work from the United States which they had already sent out of Canada, as rapidly as possible "consistent with maintaining an orderly flow of engines to our customers". That kind of qualification in the opening part of the letter is such that if they produced no more engines at all in Canada next year, they could refer back to this letter and say, "Well, we warned you in advance that it might not be possible".

Given the attitude that I referred to a minute ago toward its employees, and the fact that the company is totally unwilling to accept the Rand formula, I think it is beyond question that the company expects to break that union. It expects to break the labour force at Longueuil either entirely or to reduce it substantially to the point of having almost no economic significance for Canada.

Let me repeat that two days before this letter was sent to the Minister of Industry, Trade and Commerce, an official of the same company said in Montreal, on Wednesday last, that the company planned a 35 per cent reduction in their production in Canada next year. Surely that is a flat contradiction of the stated general purposes enunciated in the letter to the minister.

I want to raise some questions, Mr. Speaker, which have been unanswered so far in this House, and unanswered by the Minister of Industry, Trade and Commerce and other cabinet ministers outside the House—questions that require an answer. First of all, how was it possible for United Aircraft to transfer the production of engines and associated technology created by Canadian scientists and technicians, and largely financed by the taxpayers of Canada, from Canada to the United States in the first place? Were there no safeguards to protect this investment by the people of Canada? If there were no safeguards, then there ought to have been. On the other hand, if there were, then why were these safeguards not enforced during the past nine months?

It seems to me self-evident that if the people of Canada are going to put up $105 million for a private corporation that is foreign-owned and produces products in its own country, we must ultimately have the assurance that the product will be produced in Canada. Judging from the transfer by the United Aircraft corporation of production to the United States during the past nine months, there were no safeguards at all in the contracts. I repeat, I do now know whether there were or not, and the government has not made the contracts available so we can find out. If there were safeguards, why was no action taken to stop this transfer of production?

My second question is: when did the government request United Aircraft to give assurances about its production plans in Canada for next year? This transfer of production has been going on for many months now. When did the minister really become involved in a serious way? Was it last week, after questions were asked in the House? Did he phone the president, who is an old friend, Mr. Stephenson—I understand they are good buddies—and get him to send off a letter to the minister because the matter might come up again in the House of Commons? Or did the minister become involved last month or six months ago? Surely this question is a relevant one.

If production has been lost to Canada and we have lost many jobs in the last few months, then surely the minister responsible for this program has an obligation to intervene. I now ask the minister, through you, Mr. Speaker, when did he first go to the company for assurances about repatriating these jobs back to Canada? Related is the question, does the minister intend to reply to the letter he received from Mr. Stephenson asking for specific dollar commitments for next year? Never mind the general commitment of the company to do whatever it can. Surely, if the people of Canada are putting hundreds of millions of dollars into this corporation, the least we can expect is a dollars and cents commitment on the part of the corporation in terms of its plans for next year. Surely, the minister should not be satisfied with a letter written in general terms but should require the company to indicate that it plans to spend so many dollars in rebuilding the line and in producing a certain number of engines. This kind of specific detail is required and it is up to the minister to get back to the company to obtain that kind of assurance.

● (1620)

The third question that bothers me is a general one and involves the government's attitude toward working people in general. The Minister of Industry, Trade and Commerce said outside the House today that it did not matter to him—this is the logic of his argument—what kind of labour conditions prevailed in companies doing business with the government of Canada. The logic of his statement would seem to be that it did not matter if a company that was receiving millions of dollars in government grants had a profoundly anti-labour attitude, because this was not the minister's private domain; but, rather,—his domain was to ensure, or encourage the production of engines. I say that is a totally unacceptable attitude.

We passed legislation just a week ago which on the whole was equitable in terms of settling the grain handlers' dispute in western Canada. At that time certain ministers of the Crown, the Minister of Labour (Mr. Munro) and the minister responsible for the Wheat Board (Mr. Lang), made very fine speeches which sounded good in terms of their interest in the working people of Canada and the conditions under which they laboured. Yet today we have a minister of the Crown stating that in terms of our dealings with corporations and, I repeat, in giving those corporations millions of dollars, it really did not matter what kind of labour circumstances their employees lived in or worked under. I say that is totally unacceptable. By that I do not mean that the government of the day can be held responsible for every semi-colon or comma written into a labour agreement. That is not the point. What it can do is adopt certain minimum standards and make sure that any company which is a beneficiary of public funds at least meets those standards. Surely one of the standards must be that a corporation as anti-labour as the United Aircraft corporation should not receive financial assistance from the people of Canada unless it changes its attitude toward its own employees.

I would ask you, Madam Speaker, who speaks for the government in these matters: is it the Minister of Labour,

or the Minister of Industry, Trade and Commerce? Is it a matter of their wanting to have it both ways?

Mr. Breau: That is a problem of Quebec.

Mr. Broadbent: The hon. member suggests this is a problem of the province of Quebec. Certainly it is partly a problem of the province of Quebec, but it was this government which made grants to that corporation, and it is this government that can now enforce certain conditions. That is exactly the attitude many have taken in respect of racism in South Africa, and it is similar to the kind of attitude taken toward Germany in the 1930s. This involves extricating oneself from a situation because of the legal niceties, but that is unacceptable. If we are to have nice speeches by the Prime Minister (Mr. Trudeau) and others about our concerns in respect of problems within Canada, surely we cannot tolerate one of the business-oriented departments of the government taking the attitude toward corporations in Canada that they can do what they want with the people who work for them. I suggest that is a totally unacceptable attitude.

Mr. Breau: Would the hon. member permit a question?

Mr. Broadbent: Certainly.

Mr. Breau: Is the hon. member suggesting that whenever the government of Canada is dealing with a foreign corporation located in a province, it should have jurisdiction over the labour laws of that province or the collective agreements of the corporation?

Mr. Broadbent: By no means. If the hon. member had listened to what I said, he would know I suggested that in terms of grants provided by the federal government to corporations, it could set up minimum standards of behaviour, just as it did under the foreign takeover review legislation. It could set up certain standards of good corporate citizenship, and before a company received a grant from the people of Canada it would have to meet those decent, democratic and civilized standards or it would not get the grant. It seems to me that is precisely what this government is not doing, specifically in the United Aircraft case.

I come finally to my fourth concern. I do not anticipate this course of action—although the Minister of Industry, Trade and Commerce said something outside the House today which suggested that the government might follow this path—but if the government should decide to nationalize the United Aircraft corporation, would it retain ownership of the patents which have resulted from Canadian research and development, or will the United Aircraft corporation be able to transfer production along with the patent rights to produce such engines in the United States, so that all that would be left in the hands of the Canadian government would be an empty factory?

My suspicion is that the latter will take place, that the Canadian taxpayer will be left with some concrete, some metal girders, and the workers with no work to do because the work and the jobs would have quite legally been shifted back to the United States. We do not know the answer to that question because the minister has not provided the members of this House or the public in general with the details of the contracts the government has entered into with the corporation.

I spoke a number of times in this House and outside, in 1970, about the federal government's research and development programs, stating that by giving about 80 per cent of such funds to foreign-owned companies, without having the stringent safeguards implicit in my remarks today, we as a country were simply financing growth in both technology and employment in the foreign countries concerned. We were not providing any permanent benefit for the people of Canada. I would ask whether the United Aircraft case is not a sad but profound example of more than $100 million misspent.

Miss Flora MacDonald (Kingston and the Islands): First of all I should like to congratulate you, Sir, and through you the hon. member for Sudbury (Mr. Jerome) on assuming the high office of Speaker. I know that his qualities of fairmindedness, sound judgment and innate good humour will mark his tenure in office as our first commoner.

There have been a great number of interventions in this debate, many of a high calibre from new members of the House. The quality of these speeches is a clear reflection of the ability of men and women entering public life in Canada. Of all the interventions in this debate, perhaps understandably, that of the Prime Minister (Mr. Trudeau) drew the most critical comment.

His speech has been widely described as surprising because it was expected to deal with inflation. This was demanded by the situation. But the Prime Minister did not discuss the economic program of his government; he discussed bilingualism, constitutional patriation, reform of the procedures of the House of Commons, and amendments in respect of the tenure of members of the Senate.

The Prime Minister's speech should have come as no surprise. There was nothing puzzling about it. This was characteristic. This was the essential Trudeau. It was consistent with everything the Prime Minister has ever said about his priorities, or at least everything he said before the election of 1972.

The Prime Minister has always defined the problems of government as institutional problems. From 1968 to 1972 his main concerns were with the readjustment of constitutional relationships, the reform of parliament, and new techniques for decision making in the executive branch of government. The Prime Minister's commitment is not to the substance of public policy but to the reform of the institutional mechanisms by which policy is made.

● (1630)

It is the irony of his public career that he has made an obsession of his search for institutional rationality. He has an obsession with discovering and applying a scientific technique which will produce, in his words, "political instruments which are sharper, stronger and more finely controlled than anything based on mere emotionalism". Seen in this light the Prime Minister's speech ceases to be puzzling. Inflation did not receive serious attention in the Prime Minister's speech because it has never received serious attention in the Prime Minister's thought.

There are few members of this House who would challenge the desirability of establishing a Canadian mechanism for constitutional amendment. There are few members who would challenge the desirability of making parliament more efficient. That is not at issue. But we on this side of the House believe that the pre-eminent government priority in Canada today must be to deal with inflation.

Inflation is not some temporary problem. It is not some problem that has limited or short-term effects. Inflation is a problem which attacks the essential fabric of our society. It is a problem which breeds economic despair and social instability and, if left unchecked, political collapse. Democracy is far less threatened by the ponderous workings of this House than by the spreading and virulent disease of inflation.

Each day in this House, in the newspapers, on television and radio there is a litany of symptoms. The focus is, of course, on the short-term effects. But beyond the immediate suffering there is the more ominous erosion of the security of middle and lower-middle income earners. There is the destruction of savings and retirement funds, the threat of a poverty so widespread that only the wealthiest and most powerful members of society will be able to protect themselves.

The government's failure to show any leadership in dealing with inflation can only serve to aggravate the problem. Each day that the government fails to act it contributes to the psychology of inflation. The Prime Minister and the Minister of Finance (Mr. Turner) have already made just such a contribution by implying, in their description of inflation as an international problem, that it is a problem beyond Canadian control. The consequence has been to persuade large numbers of Canadians that the government will not act.

The Prime Minister and the Minister of Finance have helped create an atmosphere in which it is widely believed that the only way to survive is to forget any sense of collective responsibility and fend for oneself. Thus, each new increase in wages or salaries provides a justification for another increase. Each new increase in prices provides justification for another increase. Labour can blame rising prices and business can blame the rising cost of labour.

Thomas Hobbes wrote that "Outside of civil states there is always war of everyone against every one". That may be a pessimistic view of human nature, but if fairly characterizes the consequences of inflationary psychology. Every man is set at war with every other man. Surely the government has a responsibility to bring this under control. The government is not powerless. It can deal with this aspect of the problem of inflation very simply. It can give Canada some moral leaderships. It can give the Canadian people a demonstration of concern, some evidence of its commitment to act.

Instead of boasting about how well we are doing, the Minister of Finance should tell us how we can do better. The Minister of Finance is like a man standing at the upraised end of a sinking ship telling those around him that they are more fortunate than those at the submerged end. It is time he realized that he is on the same ship.

[Miss MacDonald (Kingston and the Islands).]

Instead of feuding in public the Minister of Agriculture (Mr. Whelan) and the Minister of Consumer and Corporate Affairs (Mr. Ouellet) should try to find a means to reconcile the interests of consumers and producers. The Prime Minister's tolerance of this dispute is a measure of his failure to understand the problem of inflation. These two ministers are offering encouragement to the kind of forces which are helping to spread inflation. Group is set against group. Interest is set against interest. There is no attempt to reconcile conflicting interests.

There is no attempt to educate, or re-educate public opinion to the necessity for mutual restraint. And that, Mr. Speaker, is the foundation of a healthy democratic society: a recognition of mutual interest, a willingness to compromise, to find accommodation. The Prime Minister ignores this necessity, to pursue his obsession with remodelling the institutions of government. And what does the Prime Minister intend with his reforms in our parliament? Every institutional initiative he has ever taken has had the effect of centralizing power in the executive branch.

One can only suspect that the Prime Minister and those around him ultimately define rationality as the process which recognizes their superior ability to decide. All will be rational when they are freed from the fetters of scrutiny and criticism, particularly that of the opposition. If that is not what they intend, let the Prime Minister tell us, instead of lecturing us on protocol, what he proposes to do to ensure that members on this side of the House can more effectively execute their responsibilities.

The existence of vigorous opposition has been held to be central to the preservation of a healthy parliamentary democracy. Every member of this House, not just those on the other side, is a representative of the Canadian people. Will the Prime Minister help members of this House to be more effective representatives? For example, will he guarantee public access to the publicly-financed reports on which government policy is based? Will he give committees the resources to conduct proper investigations? Will he instruct his colleagues and members of the public service who appear before parliamentary bodies to answer the questions which are posed to them?

Our previous experience with the Prime Minister's concept of institutional reform affords little confidence that his understanding of efficiency will produce more effective public policy. The Prime Minister's obsession with institutional rationalization during his first administration produced a complete restructuring of relationships at the highest level of the executive branch of government, and these changes were made, we were told, to permit government to develop more effective long-term policy.

Does the Prime Minister recall his announcement on December 24, 1970 that inflation no longer exists in Canada? The vaunted mechanisms for rational long-term planning failed to anticipate changes that have gathered momentum to culminate in the present inflationary crisis. The Prime Minister will forgive us if we are skeptical about the efficacy of his institutional tinkering.

There is no more compelling illustration of the failure of the new style of decision making than the tragic miscalculation made by his government in trying to restrict agricultural production in 1971. Canadian farmers only three years ago were paid cash incentives to reduce their

production of essential grains, as the world moved toward a food crisis. Had there been even interim planning, perhaps Canada would now be prepared to make a significant contribution in terms of supplying leadership toward establishing a world food-security system which is so urgently needed. The government has failed both to plan ahead and to face its international responsibilities.

● (1640)

We have heard and read a great deal about the magnitude of the world food crisis. The statistics are appalling, frightening. Face to face confrontation with the ravages of famine is even more devastating. We know that at least 460 million people are unable to lead normal lives because they are permanently hungry. We know that 100,000 people died of starvation last year in Ethiopia. And we know that, for the first time in history, the world has only 28 days of food supplies in reserve.

World-wide inflationary pressures, drought, and a rapidly increasing world population daily aggravate the global disparity between supply and demand for food. No one country can hope to ameliorate significantly, let alone resolve, the threat to the survival of hundreds of millions of human beings in the decade ahead. But the "have" countries such as Canada have an overwhelming moral obligation to combat world famine by efforts, indeed by sacrifices, far surpassing anything we have previously contributed.

Long term planning in food production for domestic and international consumption must become a top priority. But this will not be accomplished by ad hoc measures, by temporary subsidies, or by an alternating disincentive and crash incentive approach to production. It will require strong governmental leadership which, to date, has been sadly lacking.

No better example of this lack can be found than in the "Western Producer" of August 22, 1974 which reported:

> Agriculture Minister Whelan was not very optimistic about Canada's willingness to contribute to feeding an underfed world. He reviewed what Canadians have already done and then said: "Canada does have tremendous resources to increase food production. But Canada does not have unlimited wealth to pay farmers the price required to push production to the limits of our ability and technology. Canada does not have unlimited wealth to set aside surplus production in storage or to give food away to less fortunate peoples in the world. But most important, I do not see the will on behalf of Canadians to make sacrifices that would be necessary".

If that is the view of the Minister of Agriculture (Mr. Whelan), and it obviously is, does he not accept a responsibility to challenge Canadians to develop our tremendous resources to increase food production? There is no leadership there in this mounting world crisis, just an abdication of leadership. Fortunately, that is not the view of Charles Munro, president of the Canadian Federation of Agriculture and of the 45-country International Federation of Agriculture Producers, who said:

> Canada would have much more food for export to under-developed countries if the government could end the "boom and bust" cycle in the farm economy.

He went on to say that:

> As farmers we say we have the potential and the technology to feed twice as many people as we do now, but there has to be the political will to do it.

The key phrase is "the political will to do it". I am sure that if the Minister of Agriculture were to ask the farmers, he would find that there is the will on the part of the farmers and, if the Prime Minister were to ask the Canadian people, he would find that there is the will on the part of the Canadian people. But there is a real question as to the political will on the part of the government. The political will is lacking because the Prime Minister is so obsessed with institutional restructuring.

I see this lack of political will reflected in another area with which I would like to deal, namely, the plight of our native people. Completely overlooked in the throne speech, inserted as an afterthought in the Prime Minister's remarks, the native people and their grievances have been the subject of much discussion, analysis and indeed criticism in recent days.

At times it appeared that the welter of writing and reporting, the interpretations and misinterpretations, the obsession with who did what and to whom during the demonstration on Parliament Hill, would distract attention from the legitimate frustrations and aims of our native people. That demonstration riveted the nation's attention on Indian grievances—grievances which have been documented on many occasions by the native brotherhoods, grievances which have had numerous airings but few answers.

Briefs on housing, economic development and land claims have gone without ministerial acknowledgement for months; perhaps because they were suspected of presenting a biased point of view. But a recent government publication demonstrates succinctly and graphically, and surely entirely without bias, the bitter facts which underly native frustration.

Far more alarming than the native demonstration on Parliament Hill are the facts contained in "Perspective Canada", a compendium of social statistics produced by Statistics Canada in July of 1974 which provides irrefutable data to show that the social conditions of our native population are deteriorating, not improving.

In 1971, 25.4 per cent of families on reserves needed new housing, as compared with 19.7 per cent in 1965. In addition, twice as many houses were classified as needing major repairs in 1971 as in 1958. The minister in charge of housing will take note, I hope, that native housing is deteriorating both qualitatively and quantitatively.

This morning in committee we learned that there is a need for 20,000 new homes on Indian reserves, but this year only 2,000 were constructed, or one tenth of the actual need. This is less than one home per reservation. Is it any wonder that we see demonstrations and increasing militancy from our native peoples? To hear a cabinet minister admonish Canadians, as the minister who is responsible for housing did last week, saying that they should be grateful for their high standard of housing, must heap coals on the fires of Indian frustration.

The desperate housing situation is basic to the other severe problems the native peoples face, namely, health, education, and economic opportunity. What chance does a child have to get proper rest, to study, to learn a trade in a two roomed shack which is in need of major repairs? For far too long government has concentrated on unrelated

programs in health, education and employment opportunities without linking them to adequate housing. I commend the statistics on native people in "Perspective Canada" to all those who are tempted to categorize and dismiss Indians as lazy, drunken and good for nothing.

A further indictment of the way in which successive governments have treated our native people is contained in a recent non-Canadian publication now exposing Canada's treatment of its native people to the world. Capsulizing 400 years of betrayal and neglect in hard hitting, factual terms, report No. 21 of the Minority Rights Group in Britain deals with Canada's Indians. The aim of this group, whose sponsors include such eminent humanitarians as Barbara Ward and Gunnar Myrdal, is to secure justice for minority groups suffering discrimination. Perhaps this devastating recital, by a highly respected London-based educational trust, of discrimination against Canada's Indians will shame us into taking the action that we have heretofore avoided.

● (1650)

Phrases such as paternalistic, bureaucratic deadweight, excessive administrative and government control, occur and reoccur. The report examines the dollar outlay on native people in the light of the benefits provided them. It states:

> The increasing expenditure on the Indian, and the creation of programs in new fields like community development, had less beneficial effect than might be expected from looking at the sums involved. Not only was the money still being spent for the Indian rather than by him, but remarkably little was actually being spent on Indians at all. In 1970-71, for instance, of $228.3 million expended in the Indian and Eskimo affairs program, $175.4 million was classified as "operating expenses". The main beneficiary of the increased budget, therefore, was an expanded government department—

The report quotes one Indian leader as saying:

> One wonders if the Indian people are not used to provide well-paying jobs to non-Indians.

The report also charges that:

> There has still not been a major transformation of Indian life. The Department of Indian Affairs is still a huge and costly vested interest and may wittingly or unwittingly obstruct the movement of power and resources to the Indians.

But more than money is involved here. There is the question of Indian rights and self-respect. As the report states:

> It will in the long term be far less costly, as well as more generous and more just, to let the Indians themselves try now, even if this means making them a special case for economic assistance for some years to come. They have been a special case of a different sort for 400 years. The government will have to be patient and courageous and far-sighted enough to realize that the symptoms of such deprivation will not, even in the most favourable circumstances, disappear overnight, and that another attempt to solve the Indians' difficulties with cut price solutions imposed from outside will inevitably create more intractable problems and necessitate still more expensive remedies in the future. There is a long history of failure, parsimony and neglect to be made up for.

The publication recounts how, immediately following his appointment in 1968, the former minister of Indian Affairs announced his intention of holding a series of consultative meetings with Indian leaders to discuss a radical overhaul of Indian administration. Two months later the government published its white paper on Indian policy, without consultation. The Indian leaders, so the report states, were surprised and disappointed. And I might add, angry at another betrayal by government.

I mention this, Mr. Speaker, because we have seen in the wake of the demonstration on Parliament Hill a ministerial meeting with Indian leaders, initiated by the National Indian Brotherhood. Regretfully, the government did not seize or see the opportunity to initiate such discussion itself. The outcome of this meeting, according to press reports, is that the leaders of Canada's registered Indians are to have regular and frequent access to a federal cabinet committee to discuss their problems. Optimistically, Indian leaders reported "It looks like we made a breakthrough". That is what they thought in 1968, and they were disappointed. Six long frustrating years of dealings with the Department of Indian Affairs followed, while their housing and health deteriorated.

The new minister has a heavy responsibility to assure that these meetings are designed to lead to the resolution of problems, and not just another mechanism to diffuse their impact. If this should occur Indians will seek other avenues through which to express their frustrations. This could lead to confrontations and violence which none of us want to see.

No amount of tinkering with executive and constitutional mechanisms can substitute for political leadership. Let the Prime Minister (Mr. Trudeau) show us that he has the political will to tackle substance and not mere form.

Some hon. Members: Hear, hear!

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—External affairs—Representation of Palestine liberation organization at Geneva conference—Canadian position; the hon. member for York Centre (Mr. Kaplan)—Transport—Suggestion federal government join in Urban Transportation Development Corporation; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—Manpower—Development of new community employment strategy—Inquiry as to government policy.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Duclos for an address to His Excellency the Administrator of the Government of Canada in reply to his speech at the opening of the session.

Mr. Alan Martin (Scarborough West): Mr. Speaker, I want to say at the outset of my remarks that this auspi-

cious occasion does indeed provide an honour and a privilege for me as a citizen of our great and growing nation. In my view, there is no single greater honour that can befall a native of his country than to be given the opportunity to rise and speak—without fear or favour—before the duly elected governing assembly consisting of his fellow countrymen from all parts and corners of the nation.

[*Translation*]

Mr. Speaker, it is an event which neither I, nor my family, nor I trust the electors of the riding of Scarborough West who elected me on July 8 last, will ever forget.

[*English*]

Mr. Speaker, with my particular political and community background, this occasion represents to me the focal point of the democratic process in our country in action.

I should like first to offer my congratulations through you to the hon. member for Sudbury (Mr. Jerome) on his election to the most distinguished and historic post that he occupies as chairman of this assembly. As a new member of parliament, I was most impressed with the background to this important office that was provided by the right hon. Prime Minister (Mr. Trudeau) during his nomination address, and by the distinguished member from Sudbury in his speech of acceptance. In my view, Mr. Speaker, Canadians would be well served by an effort on the part of your office to publicize some of the interesting details and background of the significant role occupied in our governing process by the Speaker of the House of Commons.

[*Translation*]

To you, Mr. Speaker, member for Beauharnois-Salaberry (Mr. Laniel), I offer my most sincere congratulations on your appointment as Deputy Speaker for another session.

Finally, Mr. Speaker, I want to offer my congratulations to the hon. member for Louis-Hébert (Mrs. Morin) who, I am told, is the first woman ever to sit as Speaker of this House.

Her appointment is of particular importance to me for the hon. member represents the riding where, as a young Canadian of 22, I voted for the first time. That area is also the one where I was born and spent the first few years of my youth.

To the mover of the Address in reply to the Speech from the Throne I want to express my congratulations for a job well done. I remember how in Montmorency, Quebec, where I lived for a while as a youth, I had considerable trouble in obtaining for my father the names of the candidates in the elections. I felt that, at the time, there was little information available on elections, especially federal.

● (1700)

[*English*]

Finally, Mr. Speaker, to the seconder of the address in reply to the Speech from the Throne, I want to pay particular congratulations, not only for an inspiring speech made by a fellow new member but also on his election as a Canadian of a lineage that has played such an important part in building the fabric of our national society over these past 100 years, yet lies outside the area of the three main groups—French, English and North American Indian—that are so often assigned all the credit associated with the background of our great country. I refer to the Chinese element in our Canadian society, of which the hon. member has the distinction of being a direct descendant.

Speaking as a newly elected member of the Parliament of Canada, I want also to pay homage and show respect to two members of this House who, between them, have a combined term of service in our parliament in excess of 60 years. I refer, of course, to the dean of parliament, the right hon. member for Prince Albert (Mr. Diefenbaker) and former Prime Minister of Canada and, if I may use the term, to the vice-dean and revered parliamentarian, the hon. member for Winnipeg North Centre (Mr. Knowles). It is one thing to be elected and re-elected to this House when representing the party that forms the government of the day; it is quite another story, I would suggest, to accomplish this feat over and over again when representing parties on the opposition side of the House. Mr. Speaker, the record of these two hon. members speaks for itself and in each case is an example of considerable significance to a newcomer such as myself.

I want to speak today in this debate on several issues that are of particular concern to me. The first of these relates to the state of our Canadian economy at this time as it affects the individual householder in my riding of Scarborough West. My constituents are, by and large, confused and concerned over the seemingly opposite economic trends that are developing in our Canadian society. On the one hand we are continuing to experience the seemingly insatiable thrust of the inflationary spiral which is producing such a significant effect on all householders, particularly on those who must rely on relatively fixed incomes or on incomes that are not subject to the same kinds of upward revisions generally assured to those members of the labour force who belong to well organized unions or other forms of employee associations. On the other hand we are seeing injected into this unpleasant and difficult situation the knowledge that our economy is no longer expanding at a rate to which Canadians have tended to become accustomed on a more or less regular basis, with some minor exceptions, since the days of World War II.

This is a most unusual and difficult problem. The hope is, obviously, that appropriate fiscal actions on the part of all levels of government—federal, provincial and municipal—coupled with natural corrections that will ultimately evolve in the marketplace, will suffice to see us through without serious dislocation of the existing economic framework that has been built up around our society over these past 30 years. Looking at the situation in realistic terms does, however, lead one to a legitimate concern as to just how long our Canadian and worldwide economies can continue at 1974 and projected 1975 rates of inflation before experiencing corrective measures whose ramifications might be felt over several years into the future.

There are no "instant pudding" solutions to the problem that we all recognize reaches well beyond the borders of Canada and North America and is clearly worldwide in nature. The important point, in my view, is that all levels of government, both within and without Canada, recognize the seriousness of the situation and attempt jointly to

arrive at meaningful and carefully laid out short-term and long-term plans that will result in providing the kinds of leadership and direction in our national and international economic affairs that will, no matter how difficult to sell from a political point of view, impose on the governed those proposed solutions or courses of action that the best collective wisdom available will have deemed most appropriate under the circumstances.

In this regard, it is my view that what would be most inappropriate would be hastily contrived solutions, particularly those having strong nationalistic overtones and built-in long-term rigidities that are unable to respond quickly to continuing and ever fast-changing world circumstances. I say this because it is my belief that our worldwide society is beginning to experience, in economic affairs, the kinds of quick and sudden changes on an international level that we have been tending to experience of recent years in other aspects of our life. I seek and solicit leadership in this difficult economic environment from my national government under the direction of the Prime Minister and the Minister of Finance (Mr. Turner).

I feel that it is most appropriate and fitting, Mr. Speaker, that our own Minister of Finance should have been elected recently to chair the interim committee of ministers of the International Monetary Fund that has been established to undertake a penetrating, in-depth analysis of the free world economic environment. Hopefully, this will lead on a long-term basis to the kinds of recommendations on the national scene that will provide the basis for sound courses of action which will prove helpful to all Canadians. This is the kind of meaningful leadership that over the long-term will, in my view, bring credit to this government, to Canada and to Canadians as a whole.

In the short-term I ask simply that my government show a high profile of leadership in this difficult and delicate area that, while perhaps not satisfying all, will nevertheless provide the basis for shorter term courses or directions in our national economic affairs which will be in the best interests of the constituents of Scarborough West and of all Canadians, no matter where they reside. I am confident that this leadership has been indicated in the throne speech and has been further elaborated upon by the Minister of Finance in his recent speech before this House. In my view, this strong leadership will become even more evident over these next few months as progress is made in our thirtieth parliament.

The next issue on which I would like to speak is that of transportation. There are two aspects to this issue that are of particular interest to me—one is on the national level and the other on the local level. On the national scene, I welcome the positive and constructive measures that are being proposed to assist the average Canadian to be better served by the various forms of public transportation available to him. As one who has had the privilege of travelling with his family throughout a good portion of the more accessible areas of our country through the medium of holiday auto camping trips over these past several years, I am conscious of the continuing lack of adequate facilities to meet the real needs of today's automobile traveller. I am even more conscious of the disincentive that is built in for Canadians who wish to travel by means other than automobile within their own borders or those of North America.

In fact, there are real incentives, particularly in the area of air travel, for Canadians to vacation in those parts of the world that lie beyond the confines of the North American continent. We talk of the need to do innovative things in order to promote national unity in this country. We are willing to go to the extent of providing subsidies, in some instances, to encourage business activities within Canada and, at the same time, occasionally offer disincentives for those who may be conducting business activities which do not appear to be in the interests of promoting Canadianism. Surely, Mr. Speaker, it is in our long-term interest to encourage Canadians of one creed or language, or of one geographic region or another, to get on the move and make a definite effort to meet neighbours to the east, west, south or north and, in the process, hopefully obtain a more comprehensive understanding of the wonders and potential greatness that nature and history have imbued on the geography and peoples which make up this great nation.

● (1710)

The other aspect of the transportation issue to which I would like to address myself, Mr. Speaker, relates to the local scene in my borough of Scarborough. The municipality of Scarborough today consists of some 375,000 residents and is the fifth largest municipality in Ontario. Current projections indicate a potential population of one million by the year 2000. This municipality, today at a half-built stage, may well become one of the largest single municipalities in Canada.

Contrary to the situation that prevails in so many North American cities today, my municipality is in the process of building a centre core, the showpiece of which is our fabulous new town centre opened by her gracious majesty Queen Elizabeth II during her Canadian visit in 1973. This municipality offers a unique opportunity to act as a testbed for a new national thrust in the field of urban transportation and over-all urban design, including parks and housing. I invite my good friend, the Minister of State for Urban Affairs (Mr. Danson), to look closely at the potential offered by Scarborough in considering new experiments that may now or in the future be conceived in relation to this aspect, bearing in mind, particularly, consideration of intermediate forms of transit that could supplement existing and proposed subway routes.

I would like to address myself to one more local matter relating to the municipality of Scarborough, and that relates to the continuing erosion of our beautiful Scarborough bluffs. These bluffs, Mr. Speaker, stretching as they do along the southern boundary of my riding and that of my colleague, the hon. member for Scarborough East (Mr. O'Connell), where the land meets Lake Ontario, are a phenomenon not duplicated in many other areas of the world. The erosion problem is reaching alarming proportions, and in my view goes beyond a mere municipal or provincial problem. It is, I suggest, a national problem in that the geographic formation of the area involved is so picturesque and unique, and also in that these bluffs form the effective international boundary of the country, situated as they are on the north side of Lake Ontario.

I would request the Minister of Public Works (Mr. Drury) and the Minister of the Environment (Mrs. Sauvé) to take steps to look into this particular problem and instruct their respective officers to make a report thereon which may, hopefully, lead to more concerted corrective action than has been evident to date.

The next point on which I wish to speak is that of over-all government expenditures. In the attempts over the past several years of elected representatives at all three levels of government to provide an increasing level of service in various facets affecting the lives of ordinary Canadians, we may have unwittingly moved closer and closer to a point, in terms of over-all government expenditures, that could be beyond the ability or willingness of the producing segment of our society to sustain. I believe this matter requires immediate attention at the three major levels of government—federal, provincial and municipal—and that the impetus for such action should emanate from our national government. I make this recommendation, Mr. Speaker, with no suggestion that we should not continue to evolve new, and improve old, areas of government services to the people. The point to be made is that the time may have come to consider substituting some new for old, rather than simply adding on in all cases.

I want to speak briefly on the matter of the provision of social benefits in monetary terms to the less privileged—economically speaking—members of our society. I commend efforts being made to re-establish the incentive to work philosophy in new areas of social policy as they are being conceived and developed. The work ethic continues to come under criticism, and in some cases attack, by certain minority groups within our nation. However, we have not as yet developed any other acceptable alternative to a healthy combination of the work-leisure ethic that assures an adequate level of over-all production of goods and services to meet both the direct needs of the Canadian consumer and his indirect or public-supported needs that are paid for out of tax revenues provided by the working segment.

While it is essential that our national government at all times lend a listening and sympathetic ear to all segments and individuals making up the fabric of our society, the parliament of Canada must at the same time ensure that close attention is paid to the encouragement and protection of the majority of the members of our society who, in the final analysis, must be relied upon to shoulder the combined burden of their own needs and the established needs of others.

As a Canadian who, by virtue of place of birth and later place of residence, has been fortunate to have had at least some exposure to both the French and English elements within our Canadian framework, I would encourage direct national government involvement in greater promotion of the teaching of both history and the French and English languages for future generations of Canadians—even if we were to start with those as yet unborn. In my view, these two essential aspects to a more mature understanding of the Canadian fact and way of life are at this point receiving completely inadequate attention at the more tender ages when learning experiences really get under way.

Particularly in the field of bilingualism, it is my opinion that we may be tending to place a little too much emphasis on the adult segment of our society, possibly at the expense of too little concentration at the earlier levels of youth where, in my view, it can be so much more effective over the long-term. I would go a step further and simply state that, in the interests of our developing nationhood, we may no longer be able to afford the luxury of avoiding some form of direction national thrust into the entire educational field in order to ensure the attainment of some basic pre-determined national objectives.

In concluding my initial remarks to this thirtieth parliament, and as a newcomer to the House of Commons, I would like to add my support to efforts that may be made over the next four years or so toward meaningful parliamentary and constitutional reform that will assist in more fully developing our national potential and leading to greater independence and a more mature interdependence among other nations of the world. As one small contribution to the matter of parliamentary reform, I would recommend consideration of changing the House rules in order to limit the time for the speeches in the throne speech debate to 20 minutes rather than the existing 30. This would have the beneficial result of enabling either a reduction from nine to six in the number of days currently allocated to this debate, or alternatively permitting some 50 per cent more members to speak and make their views known to this House and, through it, to the nation.

[*Translation*]

Mr. Speaker, I wish to end my first speech in this House with the words I used to begin: it is truly an a honour and a privilege to express my views before so distinguished an audience.

[*English*]

Mr. J. R. Ellis (Hastings): Mr. Speaker, in beginning my contribution to the debate this afternoon, I am particularly pleased that Your Honour is in the chair. In offering my congratulations you will know I am most sincere when I say how pleased I am that the hon. member for Sudbury (Mr. Jerome) has been given this great responsibility. May I also tell the House that a few months ago I enjoyed sharing an open line program with him. I have questioned myself since whether that open line program was at all responsible for his assumption of this high office. To the Deputy Speaker, the hon. member for Beauharnois-Salaberry (Mr. Laniel), I give my congratulations on his accession to that particular post. If he does as well as the hon. member for Halifax-East Hants (Mr. McCleave) in the last parliament, then he certainly will be doing a fine job.

● (1720)

Some hon. Members: Hear, hear!

Mr. Ellis: May I also congratulate the Deputy Chairman, the hon. member for Thunder Bay (Mr. Penner), who seems quite capable of growing in that position, and the hon. member for Louis-Hébert (Mrs. Morin), a gracious and charming Assistant Deputy Chairman, as I am sure all hon. members will agree.

Some hon. Members: Hear, hear!

Mr. Ellis: Since the good people of Hastings have seen fit to send me to this august chamber for a second term, I

want to relate some of my remarks to the type of area that the constituency of Hastings embraces. The county seat is Belleville, an urban area that is steadily growing and is moderately prosperous. New and expanding industries are coming in regularly. Just this past summer there was a new $4 million initial expansion. The amenities parallel the industrial growth, that is to say, there are parks, a river front, a new bay shore that all people are proud of, a museum, a playhouse, excellent facilities for senior citizens, and a bus service. It even has snow plowing and street lighting at least as good as any centre anywhere in Canada.

In addition, the rural area includes a number of small municipalities, each unique in itself, each with its own small industry contributing to the over-all economy of the area. In the very north, the community of Bancroft has a complete leathercraft industry that ships its products all over the world. Also uranium is produced there. The Minister of Energy, Mines and Resources (Mr. Macdonald) knows that I have been continually after him for quite some time to step in and have this mine, which ran so well a few years ago, reopened. I applaud his statement regarding foreign ownership, but if the government wants to see some growth, this particular area can stand some assistance so it can begin producing now.

In the village of Marmora there is an iron ore production facility that is unique to eastern Ontario. It is being extended and could probably use some more support from the Department of Industry, Trade and Commerce. The village of Madoc is one of the largest suppliers, and up until a few years ago the only supplier, of talc in this part of Canada. The village of Tweed produces plywood. Those members of the House who are golfers might like to know that the laminated plywood golf heads on their clubs come from the grand old county of Hastings. Another municipality is Deseronto, which has various types of industries and a beautiful marina on the Bay of Quinte.

I mention all this because the government, particularly those on the treasury benches opposite, frequently forget that this is a part of Canada that pays a great amount of the tax that this country spends so readily. This is where its at. These people are the backbone, the very essence of Canadian life, and these are the people who are hurt when, in my opinion, the government makes stupid decisions to spend beyond their means instead of living within our budget. Furthermore, these people are made of sterner stuff; they are prepared to tighten their belts and to take strong measures. They are prepared to do so, but unfortunately the government is not.

In addition to those I have already mentioned, there are 20 or more hamlets, incorporated or otherwise, consisting of a dozen, 15 or 20 homes, that I should like to bring to the attention of the government. A couple of weeks prior to the opening of the House I travelled to every one of these small communities, and the story was always the same: they are as prosperous as the bungling and the mishandling of our natural resources by this government will allow.

There are little communities like Coe Hill and Shannonville, names that I am sure have never before been mentioned in this chamber, and I am not certain that the Postmaster General (Mr. Mackasey) had never heard of them before until this morning when I brought them to his attention. We are spending many millions of dollars on large buildings in the city of Ottawa and other centres across the country, but these little hamlets, with two or three rural routes running out of them, do need better post office facilities. Indeed, recent surveys show that they deserve better post office facilities, Mr. Speaker, but they are not getting them. I intend to press the Postmaster General until they do get them.

All hon. members have heard me brag about the rural areas in the county of Hastings and the fabulous cheese that comes from there. I have to admit, Mr. Speaker, to carrying literally tons of that cheese to Ottawa for consumption by various hon. members, and I have had no complaint about that which I have put in the lobby from time to time.

The throne speech mentions the need to increase food production. How can you increase food production when you cannot attract young people to the farms or keep them on the farms, with interest rates as high as they are now? The farm credit legislation is virtually useless to them; they are turned down for a number of particularly phony reasons. This is especially the case with an ambitious young man who because he wants to raise a family holds down two jobs: he is not qualified as a farmer in the eyes of the legislation.

How can you increase food production, Mr. Speaker, when the cow-calf operators are losing money at the rate they are today? They got into the business because the government gave them interest-free loans. Now the government tells them they have to pay the money back, and of course they do not have the money with which to repay the loans. My hon. friend from Medicine Hat (Mr. Hargrave) the other day asked the Minister of Agriculture (Mr. Whelan) if he knew just how serious this problem was. From the dairyman's point of view, even the animals that he used to sell at the end of their productive life and make a small profit on bring in only 12 to 15 cents a pound, a loss even at that.

How can you increase food production unless you give the dairy farmers a reasonable return on their investment? During the past year there was an increase in the subsidized price of milk. It was not enough, but it was not bad. Farmers at the time felt that if they tightened their belts a little they might be able to live with that price. But since then costs have again increased. What are we supposed to do? Are we to wait until next April 1, the very deadline, before we know exactly what the government's policy is going to be on milk subsidization?

The farmer really does not care whether milk is at $5 per 100 pounds or $10 per 100 pounds. As a matter of fact, he would probably far rather make 10 cents at $5 than lose 10 cents at $10. How can you increase food production? In fact, how can you expect anyone, young or old, to invest the $200,000 to $250,000 necessary without having some stability and some long-term policies in the field of agriculture? Farmers are businessmen. In my part of the country, particularly, this is so, and I think they are improving as businessmen. If you go back to 1954, one farm worker fed 16 of his fellow Canadians. In 1974, 20

years later, one farm worker feeds 56 of his fellow Canadians. Few other industries can cite such a record.

I want to make it clear, because I am not afraid to speak my mind on this matter, that I am not opposed to marketing boards. They are perfectly O.K. providing they are properly run. The Ontario Milk Marketing Board is an excellent case in point. It has brought stability to that industry. Its decisions are made in conjunction with the senior members of committees throughout the entire province, and only after it has consulted with all these people does it make decisions that affect the whole industry. This is not to say that some marketing boards are perhaps not run by idiots; but for the most part I am not opposed to marketing boards per se.

● (1730)

That might sound like I am a good friend of the Minister of Agriculture (Mr. Whelan). The minister and I agree on one point. He portrays himself as a friend of the farmer, and that is certainly how I stand. As a matter of fact the minister visited my riding recently, at which time I introduced him to the assembled people as not a bad egg. That seemed to suit the situation at the time.

The minister spoke at some length, and basically what he said was that he wants to improve conditions for the farmers. That is exactly what I want. At other times he has asked for increased food prices. There I think he is misguided. I do not think there is a need for increased food prices. One must remember that farmers are consumers as well as producers, and no farmer in this present day and age provides all his own food. They want lower prices, but they want to make a profit at lower prices.

Where is the stability this industry needs, and where are the long-term policies? Is the minister saying one thing in public and a different thing in cabinet? Is the cabinet not aware of the situation, or does it just not care what happens to the farmers in this country? Either way we are not getting the policies required.

This country will not have seen a crisis, whether it be energy or otherwise, until such time as it has experienced the crisis which will occur if there is no food available. If the problems that beset the dairy industry, the beef farmer, the turkey farmer, the egg producer and the grain farmer, with all our strikes, are not looked after now properly with long-term policies, mark my words, when the housewife goes into the market and cannot buy food for her family, then we will see a crisis. I do not care whether you blame the minister, the Prime Minister (Mr. Trudeau), the cabinet or the civil service, I want them to get at these problems before it is too late.

On looking at the throne speech, I am afraid that the reintroduction of the Food Prices Review Board is not the way to solve these problems. This useless service is one that any housewife could perform. She knows how to go into the supermarkets and compare prices. You could send a group of students out and get exactly the same results. In my opinion the Food Prices Review Board serves only one purpose; it accepts and absorbs the scorn of which this government is properly deserving. These things are all related to the problems of my riding, and I am sure they are not much different from the problems faced by other ridings in southeastern Ontario.

For a moment I should like to move on to a subject in which I have some interest, and that is the Department of Public Works which, with its almost 9,000 staff and a budget of over $500 million, is one of the largest departments of government. It is also very vulnerable in that the end results of its endeavours are open to full public scrutiny.

In general the Department of Public Works is reasonably efficient and maintains a reasonably good image. Abuses and patronage in the department have been reduced greatly, if not completely abolished in recent years, but there are some changes and improvements which, in my opinion, are essential.

The main one is that budgets for space and service must become the responsibility of each government department, thus putting the Department of Public Works on an essentially revenue dependent basis. Much of the criticism of the department by the Auditor General involves space ordered but not used. There will be obvious economies in having the budget of each department reflect not only the amount of space but the quality and level of opulence. If the Department of External Affairs wants the biggest chocolate cake in Ottawa, the finest offices, then let us show this in its budget, and let that department be responsible for it. Let us not bury this in the estimates of the Department of Public Works.

Acceptance of this proposal would allow one of the recommendations of the Glassco Commission which was never carried out to be implemented. That is to say, there should be a property accounting on both a quantitative and monetary basis, using proper accrual methods of accountings and recognizing depreciation when appropriate.

While answering to the Treasury Board in an over-all manner, all land and building services and management transactions must become the responsibility of the Department of Public Works. Keeping in mind current levels of involvement, there can be no justification for duplication of services such as found in the Department of National Defence, which still does a good deal of its own accommodations' seeking and construction.

In my opinion the Department of Public Works should be divested of all responsibility for a marine program. This is a duplication in fact and in function, if not in method of financing, of services provided by the Department of Transport, the National Harbours Board and the Departments of the Environment and Fisheries. If the Department of Public Works is called upon to act as contractor for these departments, that is fine, but it should not be the direct department responsible. The same can be said of the responsibility of the Department of Public Works for transportation programs. This is a duplication in fact and function of the services provided by the Department of Transport.

The fine arts program of the Department of Public Works, while admirable in concept, needs further refinement and greater input from public sources other than those directly involved. The public will not accept the use of rusty pipes and swiftly deteriorating free forms of plastic as art forms.

Under careful supervision greater use can and should be made of builder-proposal types of construction to reduce building costs and the parallel overhead costs encountered within the department.

With these few remarks about what I think is a very important department within the government, let me say I look forward to the thirtieth parliament with perhaps a bit of trepidation, but also with a good deal of determination on my part to make it work.

[*Translation*]

Mr. Bernard Loiselle (Chambly): Mr. Speaker, on behalf of the population of the constituency of Chambly, I would like to congratulate you for having accepted the position of Speaker to which you have been appointed by this House. I would also like to congratulate my two colleagues who moved the Address in reply to the Speech from the Throne, the hon. members for Montmorency (Mr. Duclos) and for Vancouver East (Mr. Lee). I believe that the quality of their speeches demonstrated that the contribution of the young members can be both serious and effective in this House.

I would now like to deal with the measures outlined in the Speech from the Throne and particularly with those to fight inflation. I am sure that all the members of this House recognize the need to protect adequately and effectively the most needy, all those who cannot protect themselves against inflation, and I am thinking about the senior citizens, the pensioners, the sole supports of families. Finally, there are those who, because they do not belong to a union or an association of some kind, cannot face the disastrous consequences of inflation. The government has clearly shown its intention to act in this area by implementing measures such as regular increases in old age pensions based on the cost of living, the increase of veterans' pensions and other measures already mentioned. Another group which we should seriously consider is the middle class which must often bear the heaviest financial burden of all these measures that are implemented to help those in need. To this effect, Mr. Speaker, I believe that our government will act to better distribute the cost of all these measures so that those who are already well of in our society will pay the greater part of the cost of these new policies that will have to be put forward to ensure a better redistribution of the wealth of this country.

For the middle class this government intends to make financial help available under its housing policy to reduce the cost of land and promote development, to help directly new owners through increased assistance to buyers of moderately priced housing who have not owned a home before, and also through initiatives to urge lending institutions to accommodate particularly those buyers who can afford only a small down payment.

Another area, Mr. Speaker, in which this government will act firmly will surely be the food area because it affects Canadians the hardest. I am sure the Minister of Agriculture (Mr. Whelan) and the Minister of Consumer and Corporate Affairs (Mr. Ouellet) will be the main artisans of that program since it will be a matter of monitoring excessive price increases in that area of the economy.

Another step mentioned in the Speech from the Throne is help to the small and middle businesses to increase our output. That program is most commendable because, however spectacular it might be at times to announce investments of the order of several million dollars and the creation of hundreds of jobs, it must not be forgotten that the present economic structure of this country is based first and foremost on small or middle businesses. It is only by ensuring the help required for its development that we can consider setting up a solid long term economy. To promote help for small and middle businesses we must first define what is a small businessman to be able to really understand his problem.

● (1740)

It must be kept in mind that a contractor with some fifty or a hundred employees used to be just a craftsman. Also that this craftsman who has become a medium-sized employer has often seen his business develop in spite of himself or without any control over its development.

Therefore, faced with his enlarged business, this contractor is often helpless when he has to perform some specialized work to ensure a smooth operation. Everybody agrees on that, but not on the means to meet those needs. The formula of assisting those contractors by increasing our public servants is quite questionable. I do not think it is the best way. I believe we should follow the example of Quebec which encouraged a few months ago, through the Minister of Industry, Trade, and Commerce, (Mr. Gillespie), the regrouping of some fifty contractors who will pay for collective specialized services.

The advantage of such a system, which already exists in a number of countries including France, is obvious. In France, this system proved highly successful, for it involved the regrouping of over 4,000 French businesses; after seven years they set up their own bank, the third largest in France. I feel this is an example to be followed. This system which proved successful should be applied here, for it has this advantage: both the small businessman and his firm are under the constant supervision of technicians they have hired and who, therefore, are their employees. So, they are not bothered, they do not have to spend much time on this type of work because it is a time-saving service for which they pay.

There are in our ridings some people—I know hundreds of them in mine—who, after starting as mere welders, found themselves, after a few years in business, faced with cost accounting productivity and general administration problems.

As for multinational corporations, a recent survey has shown that to carry out those duties, an average of 23 university graduates were hired. The small contractor, who must also meet those requirements, has surely not the means to incur those costs.

Too often, we deal with the small or medium enterprise as technocrats without ever having stood on an oil-stained cement floor or been in a place where some wood shavings were flying around.

It is easy for a recent university graduate who has no idea of an eventual loss to give to the contractor all the required good advice. However, since he has never experienced the problem, too often the contractor is frus-

trated by those entirely theoretical suggestions difficult to apply.

I will give you, Mr. Speaker, an example of that type of concern. I am referring to all those undertakings where today the craftsman becomes a businessman.

This businessman certainly needs specialized services, but he does not need to be told that he is unable to run a business, because he is an expert in his field of activity, he is a self-made man and one that should be respected.

There is another problem facing the small or average business, namely to find external markets. To do so, there again, the assistance of a number of government employees is offered. This service is rejected by the small or average business. The entrepreneur cannot, owing to his small volume of business or his limited production capacity, meet the demand of the external market.

In any of these two cases, one is looking for an example, for a course of action. I apologize for always quoting Quebec as an example, but the Department of Industry and Commerce has achieved some exploits in this field by grouping for exterior market purposes five or six competitors in a given sector. The lumber industry, in the Victoriaville area more especially, represents one of the fine achievements of the Quebec government. Its five or six competitors have met and, with the help of experts of their choice, they have succeeded in getting most interesting contracts on the foreign market, without for all that hindering the normal growth of their business or, as a consequence, that of their development. These are spheres of activities, Mr. Speaker, where I am sure, the government will know how to intervene with tact so as to increase the share accruing to the small and medium undertakings and thus keep this sector in good health, since their good condition will evidently provide us with an economy much more healthy, much less subject to vast monopolies and much more stable. This opens fields of activities where employees and employers are much closer and, in my opinion, in promoting this economic sector, we will be able to avoid conflicts such as the one we were compelled to solve recently.

Other very timely measures are put forward in the Speech from the Throne among which those proposed by the Minister of Transport (Mr. Marchand) who deserves special commendation for the way he has been handling his department since he took on as minister. Often in the past ministers of Transport were almost entirely concerned with rate increases, trying to balance such increases like real tight-rope walkers. The present Minister of Transport turned away from such a narrow attitude that has little long term efficiency; he looked at the very philosophy behind our transport policies, and so came up with the results briefly stated in the Speech from the Throne. It is essential in my belief that all parts of this great land be connected together, so that natural resources may be developed more easily in the most remote areas as the Northwest Territory, James Bay and so forth. This the minister understood, as I hope all members will indeed.

Moreover, I am sure that if we improve the transportation policy, we will be able to ensure a better balance in our economic development in every area of western as well as of eastern Canada and therefore enjoy a more even development than the one we know at the present time. Especially as regards the constituency of Chambly as well as the southern shore population as a whole, I believe that the Minister of Transport will be able to give us more details on the methods required to promote the development of public transportation in those suburban communities.

The constituency of Chambly already has on its territory the substructure required for the establishment of express trains such as the Toronto Go transits. We are longing for the planning and implementation of such a policy, that should not be long in coming, I am sure. Already the hon. members for Longueuil (Mr. Olivier) and Laprairie (Mr. Watson) expressed their desire to offer a united front so that all our southern shore municipalities can be connected as soon as possible by these trains to that nerve-centre, Montreal, where a great portion of the people from cities such as Beloeil, Saint-Bruno, Saint-Hubert, Boucherville and others, are working. It is surely not by tying up millions of dollars for highway substructure that we will finally solve the transportation problem in an area such as ours.

The creation of an express train service will also enable us to solve the inter-city transportation problem between the southern shore municipalities. For instance, the Chambly-Saint-Jean stretch can be covered within 10 minutes by car, whereas by using the present public mode of transportation, the same journey to and fro requires 4½ hours. In 1974, that is unacceptable.

Mr. Speaker, considering the critical problem of public transportation, various levels of government have already examined that question. For more than three years now municipalities have been laying claims before the provincial government, which did not remain indifferent, on the contrary. It is already carrying out studies to determine the real needs and suggest better solutions. Considering the federal government's willingness to do something in that field also, I would subscribe to an increase of exchanges between the various levels of government, so as to achieve a better concertation of measures.

And I am convinced that the Minister of Transport knows this and that he will do everything to promote the necessary dialogue which will bring on the implementation of solutions as rapidly as possible.

Finally, Mr. Speaker, taking into consideration the benefits that my colleagues from the north shore of Montreal are reaping with Mirabel and all the development which stems from it, we on the south shore where industrial development is also going very well have another concern, and it is a concern shared by all the population of Chambly, it is that of environmental and pollution problems. The area that I represent is certainly one of the most historic of our country, the Richelieu river having always been a corridor which has put its stamp on our history. To put a greater accent on this area and also to make it better known to Canadians, the government of Quebec, through their planning and development bureau, have made a study on tourist development in the valley of the Richelieu river. The riding of Chambly has one of the richer inheritances. We have but to think of Fort Lennox, the Chambly canal, Fort Chambly, all the little churches which look out on the river such as Saint-Marc, Saint-Antoine and Saint-Denis and which were the authentic

witnesses of the most important events in our history. Nothing must be omitted, Mr. Speaker, that could favour the promotion of these historic sites so that they might be better known by all Canadians. If we sometimes try to instill pride into the hearts of our young Canadians, they need only visit my area and they will easily find this kind of motivation.

Besides, this area has a most interesting geographical aspect. And this is why integrated touristic development of the shores of the Richelieu is required so that we might keep, near to Montreal, all the green spaces required for the leisures of a population who is too often tempted to go to the United States or elsewhere, while, right on their doorstep, all of nature's beauties are available for their enjoyment and this, without costing fantastic sums of money. To achieve this, Mr. Speaker, I would ask the Canadian government to consider the possibility of reaching a supplementary agreement with the government of Quebec so as to see to it that the recommendations of the PLURAM study may take effect.

In conclusion, Mr. Speaker, I would once more like to tell hon. members how proud I am to represent an area like mine, whose population is most dynamic. It will always be an honour and a challenge for me to be worthy of my task of representing the riding of Chambly.

● (1750)

[*English*]

Mr. Speaker: Order, please. The hon. member has graciously completed his remarks in somewhat under 20 minutes. Perhaps we could call it six o'clock and resume at eight o'clock with the hon. member for Kootenay West (Mr. Brisco).

It being six o'clock I do now leave the chair until eight o'clock this day.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Bob Brisco (Kootenay West): Madam Speaker, in making my maiden speech in parliament I think my feelings at this moment, and the feelings of many other members who in the past rose to their feet for the first time, might best be described by verse 25, chapter 3 of the Book of Job which reads:

> For the thing which I greatly feared is come upon me, and that which I was afraid of is come unto me.

First, I should like to join the host of other members who have voiced their sincere congratulations on your appointment. We realize that the appointment carries considerable responsibility, a responsibility which I believe will be exercised both with fairness and dispatch.

With reference to the Speaker and his appointment, his seeming reluctance to approach the Speaker's chair is, of course, steeped in tradition and history. I think all members of this House can offer the assurance that the Speaker's person will remain intact throughout this thirtieth parliament.

I should also like to congratulate the hon. member for Montmorency (Mr. Duclos) not only for moving the Address in Reply to the Speech from the Throne but for the honour which he has brought to his family and his constituents.

All hon. members, and those from British Columbia particularly, share with pride the honour conferred upon the hon. member for Vancouver East (Mr. Lee) who seconded the Address in Reply to the Speech from the Throne. I believe the hon. member is the second member of parliament of Canadian Chinese descent to be elected and he must, I suspect, be at once proud and humbled by the experience.

As you are aware, Madam Speaker, I represent the riding of Kootenay West in British Columbia and in describing its beauty, its attributes and its people, I can best summarize by describing my private philosophy in the recent election campaign. It was really quite simple—if I win, I win, and I shall have the opportunity to represent a wonderful group of Canadians, my constituents, and the opportunity to work with them and for them. If I lose, then I still win, for I will have much more time and greater opportunity to enjoy the beauty of my riding and the fellowship of its people.

Kootenay West riding is bordered at the south by the 49th parallel, to the east by the Purcell Mountains, to the west by the Cascades and the Monashee Mountains, and its northern extremity lies just south of Revelstoke and the Rogers Pass highway.

It is a riding of beautiful mountains and lakes, rivers and streams, some of whose names will have a sad but familiar ring in this House. I refer of course to the Columbia and the Kootenay Rivers, to the Arrow and Kootenay Lakes. The economic base of Kootenay West is its natural resources of water, minerals and timber, as well as the highly productive agricultural area surrounding the city of Creston. Some of our communities have names that ring loudly in the early history of mining in British Columbia. I refer to such places as Rossland, Trail, Nelson, New Denver and Silverton, Salmo and Ymir, Kaslo and Lardeau and the ghost town of Sandon.

Some names reflect the influence of our native peoples, such as Kootenay, the name of the riding, and Monashee, a mountain range. Still other names are a mirror of earlier times when the Russian people referred to as the Doukhobors moved into Kootenay West—names such as Poupore and Ootischenia.

Kootenay West and its communities have contributed much to the social and economic wealth of Canada. While many of its constituents are of Anglo Saxon descent, we have a large and valued representation from ethnic groups of Italian, Russian and Japanese descent. All of them contribute a great deal to the social betterment of our riding.

Kootenay West has produced such champions as Nancy Greene from Rossland, and the Trail Smokeaters, twice world hockey champions. Trail, I might add, was the founding city for the organized movement of boys' minor

hockey, and the Kootenays have produced several champion hockey players.

Trail itself is the home of one of the largest, if not the largest, non-ferrous smelter in the world, and its wealth of experience and knowledge in metallurgy has contributed much to the scientific community. Cominco has also contributed much to the financial wealth of the riding and Canada, while its workers have donated time and energy in many different ways for the betterment of various communities.

In recent history we have been honoured by the presence in the riding of two prime ministers, and the man who should have been the third prime minister. I refer first to the visit in 1958 by the then prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker).

On that occasion I had the privilege of chairing a large political rally addressed by the right hon. member. I recall it as though it were yesterday. The prime minister was well into his speech when he was interrupted by four or five unfortunate women, referred to as Freedomites, who had stripped naked to protest I know not what. The right hon. member for Prince Albert rose to the occasion and said: "I have seen more than that back in the homestead in Saskatchewan", and continued his address.

In 1968 we were honoured by the visit to Castlegar by the present Prime Minister (Mr. Trudeau). More recently, during the last election campaign we were again honoured by the visit of the Leader of the Official Opposition (Mr. Stanfield), who visited Nelson and contributed significantly to my election.

While nearly all the peoples of Kootenay West have contributed much to the social, economic and historical betterment of the riding, there are a few whom I should like to single out at this time. I am sure there is not a veteran member of this House who does not remember the "Squire of the Kootenays". I refer, of course, to the member of parliament who sat in this House from 1945 to 1968, the late Bert Herridge.

Some hon. Members: Hear, hear!

Mr. Brisco: He was always a gentleman, always concerned for and about his constituents, and always respected by people of every political persuasion. Mr. Herridge contributed much to the proceedings and debates in this House, with logic, persuasion and humour. Mr. Herridge served during the first World War in the 54th Kootenay Battalion and was wounded in action. One evening when the troops were to stand down, a young lieutenant, towering over the enlisted ranks, instructed Mr. Herridge and his fellow soldiers to dig some pits for their own protection. For ever after, as Mr. Herridge once complained in the House, the lieutenant was always a step up the ladder above him.

He was, of course, referring to another native son of Kootenay West who also will be remembered by the veteran members of this House—a man who was born in Kaslo, who served his country, along with many others from Kootenay West, with distinction during World War I with the 54th Kootenay Battalion. I refer to the Hon. Howard Green, Privy Councillor and Queen's Counsel.

Some hon. Members: Hear, hear!

Mr. Brisco: Mr. Green was a member of parliament from 1935 to 1962 and culminated a long and distinguished political career as secretary of state for external affairs.

I should like also to mention the name of the last Conservative from Kootenay West to represent that riding. Mr. Billy Esling served the riding faithfully and well for 20 continuous years from 1925 to 1945.

The last member of parliament to represent Kootenay West was Mr. Randolph Harding. Perhaps few people realize that Mr. Harding, upon his election to parliament, had already served as an MLA in the British Columbia legislature for 23 years. Until his defeat in the last election, he had a record of nearly 30 years in public service, an indication of his dedication. He was especially concerned with matters pertaining to the environment and was very knowledgeable on this vital subject.

● (2010)

Finally, in describing Kootenay West, I wish to quote from the Parliamentary Guide of 1973. The final sentence on page 368 in the preamble to the description of ridings says:

> So the two Kootenays were not counted as existing for political purposes.

Surely the Prime Minister himself must have written that sentence, for it so perfectly describes the long standing attitude of the government towards Kootenay West and its people. It is a history of tax whom you can for what you can, but give as little as you can in return.

I now wish to make passing reference to the Speech from the Throne, what it says, and what it fails to say. On occasions too numerous to mention the Leader of the Official Opposition has taken the government to task for its well demonstrated and documented inability to reduce inflation. He has reasoned, implored and debated, and challenged the government to take action. In this House, on November 20, 1967, the Leader of the Opposition said:

> After rereading the minister's budget speeches in the last couple of years, in the spring of 1966 and in December, 1966, as well in the Spring of this year, I have to say that the government has been far too complacent about the dangers of inflation. The government has known for some time that an inflationary situation was developing. In fact, the minister himself referred as long ago as the spring of 1966 to the need for restraints.

Again on the same day the Leader of the Opposition quoted the Liberal Premier of Saskatchewan, who had said in reference to inflation: "Our own party as the government must accept responsibility for the primary blame." Now, some nine years later, a period longer than it took the allies to wrestle the Nazis to the ground, I sit in this House and listen to an exchange between the Leader of the Opposition and the Prime Minister wherein the Prime Minister disdainfully declares he is still about to wrestle inflation to the ground.

Surely the Prime Minister and his government are suffering from the affliction of having been too long in office. It is usually found in the aged; We call it muscular atrophy. I state unequivocally that this government has not developed or declared a sound program to combat inflation but, rather, by continued increases in spending has failed to set an example for Canadians to follow.

If the government is not prepared to listen to the opposition, perhaps it will gear itself to listening to that source of the voice of the people outside parliament. I refer to the editorial pages of the nation's newspapers. Surely the government has the capacity to read and digest the contents of the editorial pages. Surely the government must

be aware that not for months but for years the editors of the national newspapers have demonstrated their verbal indignation over the inaction of the federal government and its failure to take a positive and constructive stand on the number one issue facing this nation.

I honestly wonder how the Prime Minister can now summon the courage to face this house if he knows that the United States president has, in 60 days, set out to accomplish what the present government has not had the intestinal fortitude to attempt in nine years. Of course spending is necessary, but the point is how, where, when and on what. Certainly the government has not suffered from any largesse to Kootenay West. There has been none.

When, in 1968, a flood disaster struck the city of Trail and caused millions of dollars damage to its downtown business area and to the homes of many residents, the government was not moved to assist in any meaningful way. Its attention and our dollars went to such things as refitting and then scrapping HMCS "*Misadventure*".

I fail to note in the Speech from the Throne much reference to Bill 22, recently adopted in Quebec. When the Prime Minister addressed this House on September 15, 1968, he said in part that English speaking Canadians must not allow a single incident to cause them to forget the basic principle that linguistic equality requires all provinces to recognize the right of parents to have their children educated in the official language of their choice.

I agree with what the Prime Minister said in 1968. Obviously he no longer agrees with himself. Since he seems somewhat vague on the subject of Bill 22, is the Prime Minister suggesting by his silence a similar bill for all provinces?

Again, with reference to the Speech from the Throne, I note the intent of the government to renew the mandate of the Food Prices Review Board. I take it that this is a form of dentistry wherein the government will reline the gums but forget about the dentures. That is about all the dignity this mandate deserves.

On the positive side I am pleased to see the government adopting policies from my party, policies that were clearly spelled out by the Conservatives in the recent campaign. I refer to increases in pensions, war veterans' allowances—although the government has failed to say how large these will be—and in allowances for spouses aged between 60 and 65 of old age security recipients. The latter policy is a modified version of our party's avowed policy.

I am pleased to note that the government will make special efforts on behalf of individuals and specific groups who are ready and willing to work but tend to experience particular difficulty in finding regular employment. There are perhaps thousands of physically handicapped Canadians who hope the government is making reference to them. This also applies to many of our unskilled native peoples.

All Canadians are awaiting with interest the development of the government's new transportation policies. Certainly in Kootenay West we are interested. There is an early need for a municipal airport at Creston and Kaslo, and the extension of an existing runway at Nelson. We are pleased that the government is currently upgrading and paving the Trail municipal airport at Columbia Gardens. We have been fighting for this airport improvement for 20 years.

[Mr. Brisco.]

The people, business and industry of Kootenay West are also interested in the government's rail policy. As the government has said, "Transportation is vital to Canada, providing for the flow of people and goods that link and bind our regions".

Under existing policies of the Canadian Pacific Railway, rail, truck transport and telecommunication links are being steadily severed. The Minister of Transport (Mr. Marchand) and the minister responsible for regional economic development have heard or will shortly hear from me on this subject. It seems more than passing strange that an area such as Kootenay West, an area with an unfavourable economy, an area that qualifies for assistance under the DREE program, should suffer from rail line abandonment and diminished truck transport service at the hands of one company.

The government attitude toward environmental concerns is amply demonstrated by the six lines of vague rhetoric it devotes to the subject in the Speech from the Throne. Surely the Minister of the Environment (Mrs. Sauvé) is deserving of more attention. My specific concern and the concern of all Canadians, especially those on the Pacific coast, is the do-nothing attitude of the government toward the tanker route from Alaska to Cherry Point, Washington.

The hon. member for Eglinton (Mr. Sharp) did this country a disservice by saying from the beginning that the government would do something, because the government did nothing. Surely the demand for a double bottom on these oil tankers is not too much to insist upon. Indeed, it is the least the government should insist upon. I note that the government, according to the Speech from the Throne, has initiated a series of consultations with the principal groups in our society, including provincial governments. I note that the government will ask these groups how productivity can be increased. That is a wonderful idea. I urge the government to address the question of productivity improvement directly to the Minister of Mines for British Columbia.

The various taxes, supertaxes and royalties and other controls now in effect, or going into effect in British Columbia, have sharply reduced risk capital in B.C. mining ventures, and mining companies have virtually abandoned the province in the exploration for new mines. I urge the Minister of Finance to study seriously the economic effects of raw resources taxation introduced by some provinces before he even gives thought to additional and heavy federal taxation that would disallow provincial mining taxes from being deducted before federal taxes are calculated. Surely the mining industry will stagger under the load. Is this the productivity the government seeks to encourage?

As a new member of parliament it has been my privilege to observe the exchanges of question and debate for the first time. I have been depressed by the fact that some ministers of the government show little or no concern for the questions, and are flippant in their replies.

Mr. Baker (Grenville-Carleton): Do not be surprised.

Mr. Brisco: Is this really what Canadians expect from us?

At the same time I am heartened and encouraged by the genuine effort of some ministers who give every indication of answering questions with sincerity.

Mr. Baker (Grenville-Carleton): Name one.

Mr. Brisco: I would like to digress from the main text of my maiden speech for a moment and appeal to the government for specific assistance. If Kootenay West had what its constituents consider to be their fair share of government support, it would not be necessary to make this appeal. But Kootenay West has suffered from financial disparity for too long.

I appeal to the Minister of Transport to pay particular attention to the transportation problems of this riding, and I urge the Minister of Regional Economic Expansion (Mr. Jamieson) to assist us specifically in the development of secondary industry. We have the workers, the electricity, the manpower and other essentials for the development of skill-intensive non-polluting secondary industry. Only through the untiring efforts of people in the community have we been able to attract any secondary industry.

● (2020)

Just as eastern Canada was at one time a rural area which later became industrialized, so also Kootenay West is a rural area which should have the benefit of further industry in order to establish a sound economic balance in the riding.

We do not ask for, nor do we want, a Los Angeles type of development, with homes and factories stretching to the horizons. What we do want and what we so desperately need, is employment for the sons and daughters of the people of the riding. Fifty per cent of these young people find it necessary to seek employment elsewhere. This, Madam Speaker, I am sure you will agree, is not adequate by today's standards.

While it is true that in this, my first address to the House of Commons, I have reflected doubts and concerns about the government, perhaps all of us can take heart and gain some measure of assurance from Proverbs, Chapter 11, verse 14:

> Where no counsel is, the people fall: but in the multitude of counsellors there is safety.

Some hon. Members: Hear, hear!

Hon. James Richardson (Minister of National Defence): Madam Speaker, my first reason for wanting to participate in this debate is that the very early paragraphs in the Speech from the Throne make appropriate reference to the more than 2,000 Canadians who are giving dedicated service in peacekeeping duties in Cyprus and the Middle East. This evening I would like to enlarge on that statement. I would also like to speak about the other important tasks being performed by members of the Canadian Armed Forces. In particular, I would like to talk about the way in which we must finance and pay for the work being done by the armed forces, especially in these days of very high prices and rising costs.

I am certain that Mr. Speaker, of all people, will appreciate the importance of peacekeeping because he performs that function in this House every day. It is as a peacekeeper in the House of Commons that I wish to congratulate the Speaker on his election to high office, and also to congratulate the Deputy Speaker and you, Madam Speaker, on your appointments.

Mr. Baldwin: We haven't opened up hostilities yet.

Mr. Richardson: We have a peacekeeper for when we do.

It is several days since the hon. member for Montmorency (Mr. Duclos) and the hon. member for Vancouver East (Mr. Lee) moved and seconded the Address in Reply to the Speech from the Throne, but I recall their words very well. I must say that when the hon. member for Vancouver East was speaking about western Canada, he expressed some thoughts that are very close to my heart. I believe with him, however, that none of us are in this House as easterners or westerners. I think the mover and seconder of this address demonstrated very clearly that they can defend and argue articulately for their own areas, but they both do so as Canadians.

The Speech from the Throne speaks about the more than 2,000 members of the Canadian Armed Forces who are performing dedicated service in peacekeeping duties for the United Nations in the Middle East. It forcibly reminds us that casualties are still continuing. It is true that the 11 men who were killed and the 19 who have been wounded constitute the highest cost that Canada has paid in its peacekeeping role.

When a Canadian soldier is shot and killed in his jeep, for many it is a news story or a statistic. Just a few weeks ago I went to Rimouski to attend the funeral of Jean-Claude Berger. I must say that when you meet his mother and father, his brothers and his little sister, and particularly when you learn how the people of Rimouski felt about him as an individual, you realize that his death is not a statistic, but a measureless human tragedy.

[*Translation*]

Madam Speaker, I want to point to the hon. members of this House that when I attended the funeral of Private Berger at Rimouski, I expressed my most sincere condolences to Mr. and Mrs. Berger, conveying as well those of all hon. members on their behalf.

[*English*]

Despite the tragic human loss of this kind, and despite the other costs and difficulties of peacekeeping, I remain convinced that Canada as a nation and the Canadian armed forces have an important and useful role to play in supporting the concept of peacekeeping and in improving the practical methods of peacekeeping.

Whenever the problems and apparent failures are being discussed, I always find it useful to remind ourselves that peacekeeping is a very new concept in the totality of human history.

For centuries men in uniform have left their countries for only one purpose, to fight. Today some men in uniform leave their countries not to fight but to try to prevent fighting. I like to believe that we may be at the beginning of a new era. It may be a long time until there are more

men in uniform committed to preserving peace than there are men in uniform committed to war, but that is the distant goal we must work toward. I believe it is a goal that is attainable by an enlightened people.

We should realize that because of what the Canadian armed forces are doing in a practical way and because of the moral leadership that Canada is giving to the idea and concept of peacekeeping, we could now be on the early part of mankind's long journey toward the end of war.

It is against this background of my belief in the peacekeeping concept, and my respect for what our personnel are doing in Cyprus and the Middle East, that I am looking forward to being there in just three weeks from now. I have visited our troops in Cyprus once before.

Mr. Forrestall: Why don't you take the committee with you so they too can see?

Mr. Richardson: When there is an opportunity to do that, we will take the committee. I expect to be questioned by the committee on my return. I hope to see firsthand the living and working conditions being experienced by our personnel. In particular, I want to be able to make some judgment about the number of personnel we should have in the Middle East working with the United Nations, especially in Cyprus. As the House knows, we doubled the number of personnel in Cyprus this summer on the understanding that this was a temporary commitment.

● (2030)

Mr. Forrestall: It has been temporary for ten years or more.

Mr. Richardson: Important as peacekeeping is, it is, of course, by no means all that we have to do in the Canadian Armed Forces. Our first task and our central responsibility are nothing less than to defend Canadian independence and sovereignty. Just as one example, a few days ago in this House the Minister of State (Fisheries) (Mr. LeBlanc) spoke in glowing terms of the assistance that he had received from the Canadian Armed Forces in identifying foreign fishing vessels.

Mr. Forrestall: Don't get off on that nonsense. How are they going to do it now with no fuel and no money to buy fuel?

Mr. Richardson: I will come to that in the course of what I have to say.

Mr. Forrestall: Tell us about fuel costs and money for next year.

Mr. Richardson: Next to the defence of our sovereignty, our second important task is to participate with the United States in the air defence of North America. This is a vital duty, and I am certain that the hon. member knows that some of our most highly trained personnel are involved in this task, using some of our best equipment. Here again, when we think of Canadian sovereignty, if it were not for Air Defence Command, if an unidentified aircraft flew into Canadian air space we would have to call on the Americans to locate and identify it. That would clearly be, I believe, a loss of sovereignty and independence on the part of Canada.

[Mr. Richardson.]

Mr. Forrestall: Are you getting the 104's replaced?

Mr. Richardson: In the fullness of time we will have everything replaced.

Mr. Crouse: Even the government.

Mr. Richardson: But some of our equipment does not need replacing. I do not know whether the hon. member has had the privilege of flying in a 104.

Mr. Forrestall: You know damn well I have.

Mr. Richardson: Then he knows it is a great aeroplane and he should be proud of the fact that it is flown by Canadians.

The third clear responsibility and important task of the Canadian Armed Forces arise out of our belief in the concept of collective security and our commitment to play a useful and important part in the NATO alliance. I have visited our troops in Europe, and I am personally convinced that if the occasion arose they would give a very good account of themselves on the ground and in the air, an account of themselves well above their numbers because of their capability and individual training. They are career soldiers who cannot be measured just by the numbers that are in place.

Some hon. Members: Hear, hear!

Mr. Richardson: These, Madam Speaker, are the four essential, central tasks of national defence. The serious question that is facing the government and the Armed Forces is how we can perform all of these important tasks effectively and adequately in times of rapidly rising costs. All of our costs, particularly our aviation fuel and heating fuel, have risen so substantially that we are really not able to carry out all of the tasks even within the increased budget under which we are operating this year.

There is sometimes talk about the way that the government has cut the defence budget. I think the first thing that should be made clear—and I started to make it clear in response to a question a short time ago—is that the defence budget is not being cut.

Mr. Forrestall: What nonsense.

Mr. Richardson: It is being increased.

Mr. Forrestall: What is the real increase in goods and services last year over the previous year?

Mr. Richardson: Let me give the hon. member the facts. Last year, fiscal 1973-74, our expenditures were $2,231 million, just more than 10 per cent of all the money that the federal government spends. This year, fiscal 1974-75, the national defence budget will be increased by more than $275 million, for a total of more than $2,500 million. This means that we will have more than $100 million of supplementary expenditure over and above the 7 per cent annual increase that was approved in the formula last year.

In light of these figures it is simply not true to say that the government is reducing the defence budget. I want to tell the House that it is not the government that is cutting

back on defence spending; it is, as is known, inflation and rising costs that are preventing us from doing all we would like to do, even within a growing budget.

In looking for an answer to our problem I think it is necessary to study the breakdown of defence expenditures. They are in three main categories. The first is personnel costs, which simply means the cost of pay and allowances. The second is operating costs and maintenance costs, which means the cost of fuel, food, ammunition, and supplies of all kinds. The third is capital cost that is the cost of new equipment.

This year, speaking in approximate terms, it is important to grasp the fact that 67 per cent, or more than two thirds of the national defence budget was spent on personnel costs—pay and allowances; 22 per cent went for operating costs—fuel, food, ammunition and supplies; and 11 per cent was for new equipment.

It is my firmly held belief that, whatever our total expenditure may be, the current ratio between personnel costs, operating costs and capital cost is not the right ratio. In my judgment, we must spend a higher percentage of our total budget on new capital equipment and operations, and a lower percentage on personnel. I want to make it clear at this point that I believe this policy is designed to benefit the men and women who are now in the Canadian Armed Forces. Obviously it is also designed to increase our military capability.

I want to try to illustrate what I am saying, and I have to do this in a somewhat extreme way. Last year and the year before there were about 82,000 to 83,000 men and women in the Canadian Armed Forces. We could have had a force of 120,000, a force armed with clubs and baseball bats. They would not have been a very effective force. To take the other extreme example, one man in charge of a button that is connected to a series of missiles can control a big area of the world. So how is it possible to say that numbers of people is the yardstick, and that military capability depends on having 83,000 85,000 or any number of people? That is the real problem I want to make clear. If we are not talking about numbers of people, what are we talking about?

● (2040)

An hon. Member: Peacekeeping.

Mr. Richardson: No, peacekeeping is only one of four tasks. We are talking about military capability, and it is on that which we must really focus. As well as improving our equipment, and I have indicated we want to do that, we must reduce some of the commitments entrusted to the Armed Forces if we are to reduce numbers. General Dextraze has pointed this out on a number of occasions, and he and I are in complete agreement on this.

An hon. Member: That is not the way it is coming across.

Mr. Richardson: That is why I am speaking tonight, so it will be quite clear. General Dextraze and I agree that the Armed Forces are now over-tasked, and reduction in numbers inevitably means some reduction in tasks.

Let me make one other point. A reduction in the percentage of personnel costs as part of our total budget does not adversely affect the men and women now in the Armed Forces. In fact it does the opposite. The people about whom I am most concerned are the men and women now in the Armed Forces. What I intend and hope to do is to get more and better equipment, and more money to operate this equipment.

Mr. Forrestall: I wish you would. You can't even fly a helicopter safely any more because you do not have the money for training.

Mr. Richardson: Understandably there is some limitation in respect of the amount of money available. The only way we can improve the military capability and the conditions of the present members of the Armed Forces is to reduce the number of recruits taken in and put on the payroll. To state the equation in the simplest possible way —we are going to use the payroll that would have been used to pay someone not now a member of the Armed Forces to buy equipment and improve conditions for the people now in the Armed Forces.

We will have to make adjustments as we go along. Another point I want to make clearly is that in order to do this we will not be required to ask anyone to get out of the armed forces. We do not need to do that as we have 8,000 or 9,000 who, for one reason or another, mainly because of retirement, leave the Armed Forces each year. What is involved is simply a matter of adjusting the new flow. We can recruit 5,000, 6,000 or 7,000 and adjust our numbers based on the number of people we take in from the outside, and not on the number of people pushed out from the inside. This adjustment can be made easily and clearly to the benefit of the men and women now in the Armed Forces.

Mr. Forrestall: It still takes 200 men to run a ship and one man to drive a truck.

Mr. Richardson: In a word, our central objective is to improve our military capability. In my view this means that the Canadian Armed Forces must be "better and fewer". What we must aim at is an elite force made up of well fed, well equipped, well trained, well disciplined, well paid and well led and well motivated personnel. In other words, we need an elite force that is proud of the job it is doing for Canada, a force with a high morale, a force to which many more Canadians would be glad to belong. Regretfully we cannot achieve this overnight. We cannot achieve some of our objectives in a few months or perhaps in some cases in a few years, but at least we should recognize the concept and have the vision of the kind of Canadian Armed Forces that we want to build, and we should be working steadily toward that achievement.

I have tried tonight to speak about the great, essential and vital tasks of national defence. I have also tried to indicate the readjustment that may be necessary in order to achieve maximum military capability. Let me now conclude by adding another dimension to our thinking about defence expenditures.

When hon. members think about national defence and the taxpayers' dollars that go into it, they should understand that much more is done than the main tasks about

which I have been talking. National defence is not only involved in protecting Canada, it is involved in a great deal more. The Canadian Armed Forces are involved in many specific ways, some of which I have just mentioned, in helping to improve Canada.

When a dollar of the taxpayers' money goes into national defence, taxpayers are really getting more than double benefit. The main tasks I have described are being performed. In addition the taxpayer is receiving a series of hidden or other benefits. The first one which comes to mind involves the whole area of educational and vocational training. Many people perhaps do not realize that the Armed Forces are the largest educational and vocational training institution in Canada.

Canada's armed forces are involved in training in 90 different trades including everything from welding, flying, cooking and teletype operations. Literally thousands of Canadian men and, I am glad to say, increasing members of women all across Canada are serving Canada better and also increasing their own standard of living. This is all for one reason; because they are trained in a skill in the Canadian Armed Forces. The cost of this training comes out of the national defence budget, so when we are talking about defence expenditures we must think about education. We are spending educational dollars as well as defence dollars.

I do not need to mention the great industrial benefits that flow from the national defence budget. In many parts of Canada industrial benefits flow directly from national defence expenditure. I could spend a great deal of time, as I am sure we all could identifying these in detail. Perhaps we do not do all things perfectly, but think of our contribution to our fisheries and the environment. We not only assist in the identification of oil slicks or ships dumping garbage in the Gulf of St. Lawrence, we actually have skilled personnel with special equipment to help clean up oil spills. So we are involved in protecting the environment.

The Canadian Armed Forces are also involved in the development of the north through the building of airports. We are involved in the operation of search and rescue. If we did not have a search and rescue capability in the Armed Forces we would be required to create one, which would probably cost a great deal more money than is now being spend for this purpose under the national defence budget. All these things represent benefits that flow from the defence dollar.

If we experience a flood, or a national disaster, such as the one in Honduras at the present time, the Canadian Armed Forces are there, ready and able to assist.

● (2050)

There are even such small things, relatively, as ceremonial events. If the Canadian people should wish an honour guard or a band, this is all provided out of our budget. Then there is our youth program, the cadets. We have also the physical fitness program, and our involvement with great sporting events such as the Pan-am games and the Olympic Games. The double benefit that the taxpayer receives for the defence dollar is not as widely realized as it should be.

[Mr. Richardson.]

Mr. Forrestall: That is why you can spend more money and the taxpayers will accept it. It all goes back to them.

Mr. Richardson: That certainly is the case I am making. I appreciate the support from across the floor.

Mr. Forrestall: There is no support for your present position.

Mr. Richardson: Madam Speaker, since my time is running out I shall conclude simply by repeating that our four vital tasks are: protection of Canadian sovereignty, our participation with the United States in the air defence of North America, our work in defence security in NATO, and our work as a peacekeeping force. We not only perform those great tasks but also provide all these other benefits I have mentioned to the Canadian people.

We are improving Canada as well as protecting Canada, and I suggest to you, Madam Speaker, and fellow members of this House, that there is a group of men and women in Canada whose work means that they deserve even more respect than they have, and even greater appreciation than they receive. That group of men and women is made up of the dedicated and disciplined and hard-working members of the Canadian Armed Forces.

[*Translation*]

Mr. René Matte (Champlain): Madam Speaker, since 1968 I have had the great honour of representing here in this House a well-informed, industrious and proud people, whose opinions, wishes and most legitimate aspirations I endeavour to reflect as faithfully as possible.

Spread out in no fewer than 47 municipalities, the people of my riding would dearly love to see their lot improved. They increasingly refuse to live like poors in the midst of abundance, wealth. For the most part, they live in villages, and those rural people know that public administrations, the federal government, do not concentrate their efforts in the right direction to help the people to be better off.

Hopefully, this our 30th Parliament should bear the stamp of innovations, of reforms appropriate to the needs of the times. We are going through extremely difficult and complex days. These times conceal a deep uneasiness from which could loom disastrous crises and catastrophies.

It is hardly the right moment to give as a pretext to our idleness the fact that an alarming international situation forces us to drift along with the world tide. Instead, we should strive to settle domestically our own problems with our own means. This 30th Parliament must respond quickly if it does not want to be swallowed up by social and economical crises that we could easily avoid if we had the courage to turn off from the beaten track.

Madam Speaker, without indulging in dark pessimism, I must admit that I do not believe this government is able to carry out successfully the tremendous work that is vested in it.

In 1968, the Canadian people as a whole believed for a moment that the new Prime Minister would introduce really new policies, through which his dream about a just society would materialize. Except for a few shy attempts at renovating, we have seen nothing, save legislation that

often led to controversy, such as changes relating to the Criminal Code and concerning abortion and homosexuality, or still the all too notorious emergency measures of 1970.

After that, the Prime Minister's attitude changed. The cool and casual intellectual became a politician. Following his disappointment in the 1972 election, he even became a "political manoeuverer" and a demagogue. May I be permitted to prove these assertions with a brief analysis of the last election campaign.

Following the confusion that prevailed during the last Parliament, confusion resulting from the unquenchable desire on the part of our Progressive Conservative friends to launch an election, and maintained by reporters always on the lookout for new sensations, during summer, the die was cast, the people had to go through another election.

● (2100)

We expected to see in public a serious analysis of the economic situation, the suggestion of concrete solutions and the wish of the outgoing government to fill in certain gaps and face the inflation problems, the price spiral and the social injustice.

On the contrary, the Liberal strategists played vote-catching. We witnessed a backward propaganda game where trickery went alongside demagogy. The great defender of the worker's rights, the collaborator of *Cité Libre*, the swashbuckler of the Duplessis regime of the fifties, was being engulfed in petty stretches-of-roads politics and gut promises.

Madam Speaker, I was in my constituency during the election campaign where, in this day and age jets and satellites orbiting Venus, people were invited to see the train pass. Behind Margaret's charm and the little Trudeaus' innocence were deliberately hidden inflation, the extravagant price rise and unemployment.

The former Minister of Indian Affairs and Northern Development (Mr. Chrétien) came several times in the Champlain constituency and talked nonsense which often were within a hair's breadth of personal attacks, vulgar and pernicious comments.

The Minister of Transport (Mr. Marchand) also came. More polite than his colleague from Saint-Maurice, he nonetheless stated that you had to be on the right side if you wanted to get grants, retaining walls and all the "goodies" promised by the Prime Minister in 1972.

That was a far cry from the just society of 1968! Making people believe that the government exists and administers only red ridings. Vote for Social Credit and you will get nothing! You must vote Liberal to get something. I said this during the election campaign and I am repeating it in this House; I challenge all members of the government to declare publicly in this House that nothing will be given to the riding of Champlain or to other opposition ridings under the pretext that only those who voted red are to be given any favours.

There follows one of two things, Madam Speaker: either favouritism is being openly flaunted as a policy or someone is a barefaced liar. The insults being flung at the people of this country are all the more inadmissible as the government administers with everyone's money and it is certainly not a favour when the people receive, in one guise or another, their own money. That is pure demagogy! I cannot put any faith in a government who gets elected by using such procedures.

During that time, the real problems are staying hidden. The government itself has created inflation. At first it was said there was inflation but it was not true. How could there be a lack of products when our country, overflowing with raw materials and offering all kinds of possibilities, had to deal with surpluses? Milk producers were penalized for producing more than their quota, grain producers were being paid not to sow, interest rates were allowed to rise to paralyze small industry, the number of unemployed was allowed to increase. There are the ill-conceived policies which sooner or later had to give way to inflation.

But adequate policies are still not being considered. The alleged explanation for the whole situation is that inflation is a world phenomenon.

Madam Speaker, that famous key phrase hides from people the possibilities of a government willing to solve the problems of production and consumption in Canada. I think that is laughing at people. Indeed how can we explain that there is trouble in Japan, Europe, or Africa? How can that stop trees from growing in Canada, cows from giving milk, grain from growing, and how can that empty our oil wells?

Madam Speaker, that is telling us things that are absolutely stupid since the true solutions will be found only when there will be a return to measures based on common sense, a policy based on a quiet elementary principle that this country must get down to work and produce everything people need. So it is not a matter of knowing what is happening in the United States, in Europe, or in South America. The question to be asked is rather the following, do we have what we need in our own country to produce the goods we need?

Madam Speaker, the answer to that question is the solution. We have come to the point where inflation is being created artificially. Madam Speaker, that is obvious. Many small dairy producers were forced out of business. Last week at least three beef producers in the riding of Champlain told me they were giving up their business because the income they derived from it is insufficient. If the government does not find anything to remedy that situation, in a year or two there will surely be a shortage of beef. Then that will really be inflation. That a country like Canada cannot produce all the beef, all the vegetables, all the sugar that we need, Madam Speaker, I think that this is scandalous.

And last week I asked the Minister of Agriculture (Mr. Whelan) if studies had been made to allow his department to help sugar production in Canada, to prevent us from falling into the hands of international monopolies. This is a very easy problem to solve in Canada. But, Madam Speaker, when at the same time we are told that if the price of sugar is increased twice, three times, four times and finally five times, this is due to the fact that sugar is controlled internationally. It is stupid to think this way when Quebec has so much land that could be used for sugar beet production. And only a few years ago, the producers of the Saint-Hilaire and Saint-Hyacinthe areas

were not allowed to grow sugar beets. And last spring, in my constituency, the authorities simply refused to buy the products of maple syrup producers, so that some of them now have on their hands tons of unsold maple syrup. When a country like Canada, which can produce in abundance, must wait and see what will happen on the international scene, I say that its leaders are doing nothing to correct the situation and are irresponsible or that they profit from this situation.

Madam Speaker, it is time for us to see problems where they are, to find adequate solutions to these problems and to stop stirring up the population with all kinds of false problems.

The balance which must be achieved to prevent economic disasters has to assure adequacy of production for all the Canadian people. When one's country is larger than the United States and larger than all of Europe, with a population of only 23 million inhabitants, the mere reference to a shortage, to a scarcity of products, Mr. Speaker, is, and I say it once again, scandalous! We must at all cost rectify this situation.

Mr. Speaker, since the inception of Social Credit, our political philosophy has always been closely related to all current problems, for Social Credit is merely trying to take steps that will solve production as well as consumer problems. If at the present time, there is now a scarcity of products in some branches of human industry, we only need to promote production. However, it is not by allowing the interest rates to climb to 10, 12, 13, 14 or 15 per cent that we will accomplish anything, on the contrary. The more we will impede the development of small producers or of the small industry, the more acute will be the scarcity of products.

I cannot understand that all the governments which have been in office over the years can see only one weapon against inflation, namely allowing interest rates and unemployment to go up. They say: "Let us starve the people, this is the way to fight inflation." That is an absolutely stupid way of fighting inflation, Mr. Speaker. On the contrary, if there is inflation, a shortage of goods, there should be absolutely no unemployment. Everyone should buckle down and encourage production.

We can therefore no longer accept the same old excuses. It is unfortunate that the limited influence of our party should prevent us from telling people more about the real solutions that should be applied. But we trust that the serious leaders in this country, if there are any, will at least take the trouble of looking carefully into the possibility of applying economic reforms, which could prove to be the solution to all the problems we are up against. Let us not fear, if needs be, to set the example for the whole world, since a country such as Canada, with untold wealth, is in a position to prove that it is possible to produce, to give one and all a decent minimum standard of living. If any country can do it, Canada can. The possibility should also be considered of bringing about certain economic reforms with a view to solving what problems we face and especially to giving the people the better quality of life which they seek and to which they are entitled.

[Mr. Matte.]

• (2110)

[*English*]

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Deputy Speaker, I should like to begin my remarks by adding my congratulations to those of my colleagues in the House and ask you convey them to Mr. Speaker on his elevation to the exalted role of Speaker of this House. I extend my congratulations to you too, Sir, and to our other charming deputy who was in the chair most of today. I had hoped that she would be presiding when I spoke. That is nothing against you, Sir, but I thought it would be rather nice for me.

Some hon. Members: Hear, hear!

Mr. Darling: Certainly Mr. Speaker's elevation to the chair puts him in one of the three principal positions in this House—the Prime Minister (Mr. Trudeau), the Speaker and the Leader of Her Majesty's Loyal Opposition (Mr. Stanfield). The Speaker has accepted great responsibility in assuming his share of the burden and, as they say in show business, the performance of the previous Speaker is a tough act to follow. However, we are all sure he will do an excellent job.

I also wish to offer congratulations to two new members, the hon. member for Montmorency (Mr. Duclos) and the hon. member for Vancouver East (Mr. Lee), who moved and seconded the Address in Reply in a very capable manner.

I wish I could speak in as glowing terms as the Speech from the Throne itself and the speech of the Prime Minister on October 2. Like my colleagues in the official opposition, I had expected the Prime Minister to follow up quickly and decisively on his election promises. I expected the Speech from the Throne to contain specific references to steps that the government planned to take to deal with the serious problems that have been with us since the present government come to power.

During the election campaign the Prime Minister promised to heal the wounds of the nation and to provide instant solutions to all its problems if only the people would return his government to power with a majority. Well, Mr. Speaker, the government was returned with a working majority, and we are all waiting for some sign that the Prime Minister was serious about wanting another chance to prove that he could and would govern responsibly. This is the third chance that the present government has been given to run our country, and I personally do not believe that this time will be any different from the others. It will probably be three strikes—and out.

In the last election campaign we heard much the same slogans and promises that we heard from the Liberals in 1968 and 1972. Some of the lyrics were different but the tune was the same. I am surprised that the Prime Minister did not enshrine his election tune in law and call it the new national anthem. We already have a title for it—"Promises, Promises, Promises".

Some hon. Members: Hear, hear!

Mr. Darling: I do not think I am unreasonable in expecting the government to present a Speech from the Throne

that contains something more than generalities and red herrings. After all it was three months from election day to the opening of parliament. Surely the geniuses in the government's white towers could figure out, in that time, that all the promises of the last six or seven years were left unsolved. In fact, most of them had not even been dealt with seriously. I cannot believe it took three months to prepare a speech that skirted around all the current issues and problems.

I heard from a reliable source that the Speech from the Throne had been farmed out and written by some brain truster in Toronto who did not even know what was going on in Ottawa, or anywhere else in Canada for that matter.

Last year the Prime Minister appointed Mrs. Beryl Plumptre to head the Food Prices Review Board. I suppose he thought the higher prices for food would go away and stop bothering him. All of us now know that Mrs. Plumptre has bombed out. She solved her own personal problem because she gets $40,000 plus per year in salary. It suits her all right to be used to pass the buck for food price inflation from the government to the Review Board. Just the other day the government announced that her job has been made secure for another year. I suppose that is the sum and substance of the government's fight against inflation in food prices for some time to come.

That is not good enough, Mr. Speaker. The people of Canada, the people of my constituency, will not be satisfied with this kind of nonsense in place of decisive action. I personally do not think that giving Mrs. Plumptre exposure on national television week after week is going to solve any problems, bring down the price of food, or even stabilize the price of food. I want to see some positive steps taken by the government. We have enough publicity seekers around already, people who go on national television one day telling us that the worst is yet to come, and the next day come back and tell us there is not much of a problem after all.

I was disturbed a few days ago when the new Minister of State for Urban Affairs (Mr. Danson) made a public statement that there was no crisis in housing in Canada today, and that Canadians should consider themselves fortunate to be living in a country without a housing problem. Of course there is a housing crisis in Canada today, Mr. Speaker. Tens of thousands of people in Canada cannot afford decent housing, whether they are looking for rental housing or housing for purchase.

Rental housing has gone beyond the means of thousands of Canadian families, and every day that passes means that countless more thousands are being priced out of this market. Purchase housing has long been beyond the reach of the average working family unless two or more people in the family are bringing in good salaries. The costs of materials and construction are continuing to rise at an alarming rate, and when the present interest rates are added to these costs it is easy to realize why the average Canadian family simply cannot afford living accommodation that they have a right to expect.

This fact is easy to realize, Mr. Speaker, but as far as I am personally concerned, it is impossible to accept. I do not accept a situation in a country like ours where builders and money lenders are empowered to determine who can and who cannot live in a decent home. We are now in a situation in Canada where the builders and landlords dictate housing costs and they also determine rent levels, here in Ottawa and elsewhere. There are landlords who not only set exorbitant rents for their accommodation without any limits or restrictions being placed on their actions, but who also decide whether they will allow children in their apartments. In other words they can say to a prospective tenant, "If you plan to raise a family, go somewhere else".

● (2120)

A few days ago the hon. member for Moncton (Mr. Jones) pointed out that present CMHC policies seem to be directed toward urban construction and other matters related to improving the housing situation in the cities. My own riding happens to be rural in character and so I have a personal interest in this matter. This situation was further aggravated on October 1 of this year, just a week or so ago, when CMHC restricted its home ownership plan to new housing. This means that families who have a chance to buy older homes in areas such as my riding of Parry Sound-Muskoka have been cut out of the Assisted Home Ownership Plan. This is discrimination in more ways than one.

In the first place buying a new home is almost always more costly than the purchase of an existing one, especially where families plan to acquire an older home and fix it up to suit their own needs and tastes. The Minister of Urban Affairs may not have a housing problem of his own, but I can assure him that thousands of Canadians are not as fortunate as he is in that respect.

I would just like to make one more comment about the change in CMHC policy with regard to the Assisted Home Ownership Plan. In the last few days I have heard of cases where people have been hit by this change and, in my view, it shows how cold and unfeeling this government is when it comes to dealing with individuals.

We have a situation in which the government has wasted hundreds of millions of dollars on many programs, one being bilingualism. Incidentally, the money applied to CMHC programs is not being pumped down the drain in the way so much other money is that is supplied for other programs. This money is being paid back to the treasury, with interest. Tonight the Minister of State for Urban Affairs is appearing before a committee. I had hoped to attend, but was unable to do so because I was selected to speak in the House.

At this point I wish to mention one or two proposals which were advanced by my party in the last election campaign, and which the government adopted.

An hon. Member: They were Conservative proposals.

Mr. Darling: Nevertheless, they were good ideas. We are pleased to note that wives of old age pensioners will be eligible to collect pensions at age 60. When I listened to the Prime Minister I thought this plan would be implemented in October. I thought that was fine. But when I read his speech, I noted that the date of implementation was to be October 1, 1975. That gave me an awful shock. That situation is disgraceful. The plan could have been implemented within two months of parliament being convened. Inflation is with us now and wives of pensioners certainly need that money.

Can we believe the government when it says inflation will be licked by October of next year? I do not think we can, which is all the more reason why the Minister of National Health and Welfare (Mr. Lalonde) should speed the program up and implement it within two or three months. I am sure many members opposite feel as I do. Let them put pressure on the government so that it will find the money for this program much more quickly.

We also advocate that, in case of need, 55-year old wives of pensioners should be entitled to the pension as well. This program will not cost as much as some fear because many such wives of pensioners must obtain other financial assistance if the couple are to live in the manner to which they are entitled.

I am also happy to see that the war veterans allowance is to be increased. Again, this has happened because of pressure which has been kept on the government by my party's veterans affairs critic. This was one of my areas of interest in the previous session. The veterans have already done their fighting, and it does not seem right that they need to fight over and over again for every dollar of increased pension they receive.

I now wish to comment, and in so doing take pot shots at ministers, about labour unions which pursue their selfish aims at the expense of the public. Really, judging from what we have heard lately, the demands of some unions sound more like blackmail than demands put forward in collective bargaining. I do not believe the government has been sensitive about the rights of the majority of Canadians. It has allowed strikes in essential services to take place.

We hear a great deal from the NDP about special interest groups in industry and business. Of course we know that most of such thought is simply socialist gobbledygook. We should be directing our attention to those special interest groups in labour unions which are using blackmail and intimidation to force unreasonable demands on the government and the general public.

The unions seem to delight in keeping our country in a constant state of turmoil, and it is time we served notice on them that these minority factions will not be allowed to impose their will on the majority of Canadians every time they feel like it. Collective bargaining is not a divine right to run roughshod over the people, and unions will have to be told that they are expected and required to act just as responsibly as the rest of us. The average citizen in this country is getting impatient with irresponsible and destructive strikes, and I might go so far as to say that they are darned fed up.

I was surprised to note that the grain handlers' strike was settled by giving them a 61 per cent increase. As one of my colleagues said, that means that a sweeper in a grain elevator will now make about $7 per hour, or close to $12,000 per year. Many people in Canada's work force are not in unions. They have no one to speak on their behalf, and I can tell you they are giving that settlement a hard look. Other union contracts will be negotiated in the near future and some members of this House, as well as our newspapers, can take the blame for what will happen.

When we debated the grain handler's strike my friends to my left kept talking about the great big terrible grain companies. I may not know as much about the grain industry as my friends to my left, who seem to know everything about everything except how to get large numbers of their followers elected to this House. Their numbers are reduced and they no longer have the clout they had.

Mr. Nystrom: We have quality, not quantity.

Mr. Darling: Now they can spout their socialist philosophy because there is no danger of their being called to account.

Members to my left called the grain companies great big corporations. Actually they are co-operatives owned by farmers, as the hon. member for Dauphin (Mr. Ritchie) mentioned in his speech. But many members here failed to mention that. The ordinary people of Canada, who may read what has been said in that debate, may think the grain companies are the same as other great cartels and corporations. Of course we heard a great deal about corporate bums, but we no longer hear about the corporate rip-off.

Many people in Canada who work very hard cannot bargain from strength. Some make but a meagre pittance. I should like to see the wages of some people rise. Some of them could combine and use their combined clout. I would like to see their wages increased by so much an hour.

● (2130)

The minister is now faced with an Air Canada pilots' strike. At the present time they are staggering along with a paltry $30,000 basic for the lowest paid pilot, plus fringe benefits. The super pilots are receiving $50,000. A nice increase of 10 per cent will be coming along.

Mr. Munro (Hamilton East): Mr. Speaker, I wonder if the hon. member will permit a question?

Mr. Darling: I will when I have completed my speech, Mr. Speaker.

This is what a lot of people are wondering about. Money is going to the highest paid on a percentage basis. Where is it all to come from? It will come from the poor consumer in one way or another. It will come from the old age pensioner, those on welfare and those with restricted incomes.

It is time the most fortunate in Canada stopped to think. Yesterday a good many of us overstuffed ourselves while celebrating Thanksgiving. This is a very fortunate country—let us not kid ourselves—despite unemployment, poverty, discrimination, hunger among many, and regardless of the Prime Minister.

We in this country consume, directly or indirectly, five times as much cereal grain as the average citizen in Latin America, Africa or Asia. As Canadians, we must ask ourselves some very personal questions about what our help will be to those less fortunate than us. It might be well to emphasize at this time that a great many of our own citizens are in need of a basic wage that will enable them to live in decency.

Some of the highest paid people in Canada can be found without going too far from this Chamber. There is no question about that. Something should be done.

I was delighted to hear the Minister of National Defence (Mr. Richardson) speak this evening. I had the privilege of visiting Cyprus and Lahr, Germany, in February of this year. I talked to the troops there. I commend the minister on his troops. They are a wonderful bunch. But, without mentioning names or ranks, they were not over enthusiastic about the equipment supplied to them. They want more and better equipment. They certainly deserve it.

There is one other matter, and I will probably be baring my soul in this respect. I used to wonder why the devil Canada spent so much money on an army. It was not very big. I felt that the United States, that great country to the south, would protect us. They would not dare let anyone invade us.

Just two weeks ago I had the privilege of visiting armed forces bases along with NATO members from all over Europe. We visited Shilo, Esquimalt, Halifax and Camp Valcartier. I was most impressed. Although $2.5 billion is a hell of a lot of money, it certainly is not enough. That is it in a nutshell. We have to pay the piper. I hope parliament will find enough money to equip our great Armed Forces in the way to which they are entitled and should be equipped.

I know that a tremendous 10 per cent of our national budget goes for defense. However, if you match that against some of the NATO countries in Europe, I bet we are not paying too much. We are not too hard done by. I hope many members will look at it in this way. And when I say this, I include members on this side of the House too.

I say to the Minister of National Defence that when he appears before the Standing Committee on Public Accounts he will have a friend. I happen to a member of that committee. I believe it was one of my friends from the holier than thou group to my left—

Mr. Hogan: Thank you.

An hon. Member: Saintly sinners.

Mr. Darling: When I first came to this House I sat at the far end of the Chamber. I expected to see a halo over that particular group of 31 members. Now they do not require as large a halo. Of course, with the new member in that party maybe there will be a halo.

Some hon. Members: Hear, hear!

Mr. Darling: One way of saving money would be to cut down on some of these mandarin palaces being built in Ottawa and other places to house government agencies. They are growing like a cancer. I visited the offices of a government agency in a town not too far from where I live. The official was not very high up on the totem pole, but when I went into his office, there were rugs like the one in this Chamber. You could put four Centre Block offices of members of parliament into his office. I will not refer to the Confederation Building where I understand some members have tennis courts for offices, at least members opposite. Money could certainly be saved if the government would quit extending its tentacles through more buildings.

The Ontario government has finally stated it is putting a ceiling on its civil service list. I hope that will be done here. I am not quite sure of my figures, but I believe there are between 330,000 and 340,000 civil servants here. That is a lot of people to have their noses in the public trough. The ordinary taxpayer has to foot the bill for that. We must do something to try to cut down in this area. We must show that inflation is more than just a word.

Members on this side will do their best to try and do what the people of Canada want, namely, save money and fight inflation. We know that during the election campaign we wrongly told the people there should be controls on prices and so on. Privately, every damned one agreed. The only exception is they said "not me". They wanted everyone else's wages cut but their own.

Something has to be done to try to keep prices down. I hope we will be able to do something in this parliament. The Prime Minister says that one of his top priorities is reconstituting and changing the House of Commons, futtering around with the Senate, and doing this and that. If things could be left as they are and we could get down to brass tacks, we could do something about inflation. Let's forget all about this damned gobbledygook of changing the House of Commons even though there are a lot of things I do not like about it. Your Honour should put a cross on the calendar. This is the first day this session we have not had a Standing Order 43 motion. I know which is the guilty side for the most part, and I am not enthused about that. These crazy 43's waste the time of the House. There are a lot of things that could be done to streamline the House, and I agree with the government on some of them. There is no question about that.

● (2140)

Some hon. Members: Hear, hear!

Mr. Darling: I agree that 20 minutes for a speech is all that the Prime Minister needs. I do not speak often, but I do sit in my seat and listen to all this wonderful oratory that goes on and on, and darned few members ever stop before they are told to sit down. Having spoken for 30 or 40 minutes, they then ask how long have they got? One learned member of the House of Commons last year, who is not here today, represented an English riding, spoke French about half the time and recited poetry. That was the hon. member for Scarborough-something-or-other. So it is not necessary to be a most highly educated person to get back into the House of Commons. I hope that this parliament will get on with trying to do something that the people of Canada want done, and will not just waste time.

[*Translation*]

Miss Monique Bégin (Saint-Michel): Mr. Speaker, allow me first of all to congratulate you on your appointment. I should like you also to convey my best wishes to your colleagues, namely, the Speaker of the House and hon. member for Sudbury (Mr. Jerome), the hon. member for Beauharnois-Salaberry (Mr. Laniel), and my colleague from the Louis-Hébert riding (Mrs. Morin).

This being said, Mr. Speaker, I shall never be able to "talk a blue streak" like my predecessor just did. I shall speak French, and I have not quite understood whether this means automatically that I shall be speaking poetically.

Within the past 18 months, Mr. Speaker, I have gone through two election campaigns. These will have actually cost the Canadian taxpayers some $70 million. The day to day administration of this House during that time will have cost them another $40 million, and I will have experienced not the pleasure but the regret to see some 35 major bills automatically shelved simply because the government was defeated. To sum it up, $110 million in less than two years and, it must also be pointed out, a remarkable number of pieces of legislation passed by a minority government. That is where lie the strength and the weakness of our form of government.

In my opinion, the paradox of democracy, and in the first days of this third week of sitting of this Parliament, my off-hand reaction is to ask myself how are we going to fulfill the mandate given to us by our voters. Every member is concerned about that. So I prepared notes right on the first day of the session on the urgency of a parliamentary reform. I have since listened with great interest to the speech made by the Prime Minister who chose to give particular emphasis to that problem. I also heard the President of the Privy Council (Mr. Sharp) and noted specially what he said about the question period in this House, the broadcasting of the debates of this House and committee work.

Incidentally, I want to stress the great interest I found in the question debated last Thursday night by the hon. member for Egmont (Mr. MacDonald) and the answer given by the Parliamentary Secretary to the President of the Privy Council (Mr. Reid). I support my colleague from the opposition on the basic principle of freedom of information for members of Parliament as defined by him—the onus of proving confidentiality lying upon the government, which I think is the opposite of current practices. No need to add that I agree with him that nothing is more fundamental than to allow the public to follow the committee proceedings on procedure and organization and on the internal economy of the House. I will add further, at the risk of shocking the experts, that our senior civil servants and other civil servants should attend those discussions so as to better understand the role of members of Parliament and how we need their help and they need ours. I am sure they would be delighted to do so.

I cannot understand, and I beg your pardon, that the opposition and a number of mass media—except a Toronto morning paper that I shall not name—have managed to run down the Prime Minister's speech and to accuse him of lack of substance, of glossing over the real problems of today. Naturally, I would not say that the speech my hon. colleague from across the way has just made strikes me as a model in this regard.

I know full well why I was elected MP by the thousands of electors of the Montreal riding I represent. I know full well what they expect of me and what problems we must solve. But I want the Canadians to know how obsolete and even hypocritical is our way of solving those problems.

The Canadian people have elected us to discuss the price of eggs, to protect them against inflation. That is not hard

to know. Of course, they want money to keep on circulating, and above else, they want to know they will not lose their jobs. They fail to understand why we do not control the companies that make excessive profits and exploit the consumers. At the same time, they are shocked, which may seem paradoxical but does them credit, by our slowness, our hesitations in helping the starving people of Sahel or Bangladesh, those who lose everything in a hurricane such as in Honduras, or those who lose their freedom such as in Chile, Angola, Rhodesia and South Africa.

What can I answer, Mr. Speaker, when women's groups ask me why the life expectancy of Indian women is 10 years less than theirs or that the life expectancy of Eskimo women is 20 years less than mine for example?

And what can be said, Mr. Speaker, to those who are caught in the infernal trap of usurious credit and who are not protected nor helped by any legislation to get out from under?

And what can an honest member do when he hears the report of the Montreal Diet Dispensary and is aware of the scandalous nutritional deficiencies among pregnant women and generally among poor families in the richest country of the world?

As a full-time member, I can only be particularly ill at ease with the procedure set by the Canadian parliamentary system which prevents me—and I intentionally dwell on that word—which prevents me from performing productive and responsible work. The clumsiness and the legalism—I apologize to my colleagues who have legal training—the clumsiness and legalism of our procedures are, I feel, unacceptable to any parliamentarian conscious of his responsibilities.

In a sense, I say without hesitation and very simply that the exterior forms and the usual practices prevent us from doing the real job, that is resolve the problems I mentioned a few minutes ago, for which 264 Members of Parliament have been elected, they have been delegated to serve the interests of twenty-two and a half million Canadians.

Every member has had the experience of having visitors in the galleries. Often, whole classes of children and teenagers come to discover their Parliament. What is their reaction? Here are some comments we hear: Miss, one would think that ministers are doing their best not to answer questions asked by members. Why do members ask such stupid questions? That was reported in this morning's paper. Why do all members leave the Chamber at three o'clock in the afternoon? How is it that members are reading or writing under the nose of the speaker in the House? It might appear candid to say such things here, but if they reflect the spontaneous reaction of the majority of visitors, they are scandalous for the House.

People who observe from these galleries, maybe once in their lifetime, as they walk through the town, the symbol of their government and our democracy, do not understand what happened and are confounded at the loss of time in our debates. Very often, they see us as children playing in a kindergarten.

I feel this view is absolutely right. I also find that we ourselves get lost in the intricacies of our own game. Clear demonstration of this happened during last Parliament

where the bulk of members simply did not know how to use procedural possibilities, otherwise the government would have fallen much sooner.

I also find very telling the daily language we unconsciously learn as soon as we enter this worthy precinct and speak among ourselves, when we say for instance we are going to "kill a bill during private members' time", or we have to "sit through the late show". In this vocabulary, one might point to a number of other phrases, all telling of fallacy in the workings of Parliament.

It is clear then I see but one paragraph in the Speech from the Throne, the one about parliamentary reform, and for a very simple reason. If we do not implement rapid reform, we will never find the time to debate and vote the program in the 15 preceding pages, that is 60 or 70 bills, let alone talking budget.

● (2150)

And this program, excuse me if I say so, is far from being innovative. It only continues work undertaken since what I have been able to witness, that is in the preceding 18 months of government.

Certainly many members before me must have been impatient with the archaic parliamentary system, but I believe that surely this is not a reason to accept an inacceptable and unjustifiable situation that must be corrected anyway. In fact, traditions are lost if only because of the changes brought on by the age, occupation and seniority of the members. We might as well develop, with full knowledge of the case, new "rules of the game" adapted to the twenty-first century.

I did not have time to consult the Parliamentary Guide on this, but even if I myself have not reached the age of retirement in the year 2000 I think that there are others also in this House for whom the twenty-first century is not fiction.

My colleagues who have preceded me in this House, not during this session, but during preceding Parliaments, have put forth numerous reform projects especially during the last fifteen years. I have read many of them. One of the most interesting comes from the last session. It seems to be rather meaty even though it is but the beginning of a report which was co-signed by the former member for York Centre (Mr. Walker) and by the hon. member for Edmonton West (Mr. Lambert). Just as they are, I am in favour of more respect for democracy, but I am quite incapable of finding where the essence of democracy lies.

For example, if I take the time allocated for speeches in the House, I do not see where 20 or 30 minutes per member, depending on the discussions, has improved the quality of democracy in Canada. It is very rare that a man—and this also means women—has a new idea. When one has one, it can only be brought forth clearly and briefly and, for me, 10 or 15 minutes at the most should be enough. Also, why should we all repeat the same things? Members of a same party can reach prior understanding to allow a smaller number of members to make public the views of the group, divided according to the subjects to be covered. Every speaker in the Parliament of Europe in Strasbourg, for instance, is allowed to speak for seven or nine minutes. I am thinking of the member who spoke before me, whose final words were: "This inflation is just a word". In my opinion, however, this inflation is actually thousands of words. Members of this House are strange beings generally struck on the day of their election with an uncommon illness, namely verbal inflation. I think we could reduce the time allowed for speeches in the House by half and therefore double the amount of time spent on parliamentary duties.

Now, Mr. Speaker, I should like to say a few words about the work of committees. I shall do so because working on a committee is almost the very essence of the ordinary member of the House, it is the springboard, the platform, the place, the tool that he can call his own as opposed to other aspects of his parliamentary life such as, for instance, the question period which "is the ministers' property." For instance, I was struck by the fact that the right hon. Prime Minister (Mr. Trudeau)—obviously it is his duty and the duty of the President of the Privy Council (Mr. Sharp) to do so—stressed the matter of the question period. Those are the ministers' problems. As an ordinary member of the House, and no doubt I am expressing a view that we all share, whatever our party, as an ordinary member of this House, I spend hours working with the standing committees of the House.

I think that the remarkable reforms of 1969 intended to change the functions of the committees of the House are far from being implemented. Their spirit has been applied but they have not been implemented. Judging from what I have seen up to now, the 23 committees of the House cannot, at any rate, be considered as working groups. They are not groups, they do a very bad job and they have continuous partisan fights except maybe in two or three committees.

That has struck me because I earnestly admit that one of my main reliefs during my three months as a Canadian delegate to the United Nations last year was to be relieved from committee work. This is absolutely abnormal and I was surprised myself to have such reaction, but it reveals very well the "artificiality" laid upon us. I think that the rigidity we can observe during the committees concerning the time allotted and the order of speakers is against the good functioning of the human spirit. I am not an expert on procedure and organization so I feel free to express what the average citizen would feel in a House committee. A member of Parliament has there a tremendous opportunity to become an expert in some issus that interest him and for which he is prepared.

Mr. Speaker, before you interrupt me I shall say it is ten o'clock and ask you for leave to finish my speech later.

[*English*]

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

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

Adjournment Debate

EXTERNAL AFFAIRS—REPRESENTATION OF PALESTINE LIBERATION ORGANIZATION AT GENEVA CONFERENCE—CANADIAN POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I am always overwhelmed by the multitude of my colleagues who listen to my voice at this hour. On the other hand, to those who are not staying I feel like Lady MacBeth who said: "Stand not on the order of your going".

Last Tuesday's question to the minister, the Secretary of State for External Affairs (Mr. MacEachen), concerning the Geneva Conference and the role of the Palestine Liberation Organization at that gathering was prompted by my continued interest and profound concern for the future of the Palestinian people.

There are many blunders, many failures, many moral wrongs in our age as in all preceding ages, but I believe nothing is a greater affront to our conscience than the Palestinian refugee question which has been a blight upon our record for the past quarter century. One and one-half million people driven from their homes or fleeing them in fear have languished in tents and shacks for 28 years. Discouragement, disillusionment is their lot. Children have grown to manhood knowing no home, knowing no hope. Not surprisingly in this life so degrading to the human personality disillusionment has turned to despair, and frustration to desperation. Not surprisingly the refugees ask: does any one care; will no one take up our cause?

The Arab inhabitants of Palestine were not consulted and, I fear, not considered when others decided that a new state of Israel should be set up in Palestine. I cannot here tonight discuss the violence and terror which went on in Palestine over the years prior to the carving out of the Republic of Israel—violence not by any means confined to the Arabs, or shall we say, the Palestinians.

But suffice to say there has been a painful, cruel lack of concern for the host of huddled refugees in the far-flung camps of the Middle East. UNRA has dispensed funds, but nothing like a decent lifestyle has been established, even if we set aside the vital question of the right of these people to a home of their own rather than a half-way hostel on a road which seems never to open up. Only in recent years has there been some recognition of the intensity and importance of the fate and status of the Palestinian refugees.

In this session of the General Assembly of the United Nations a recent decision was made to take up the general issue as a separate item for plenary discussion. The other day it was decided to hear a spokesman of the Palestine Liberation Organization at that great international organization in New York.

I regret that Canada found itself unwilling to join the vast majority of delegations prepared to hear a spokesman for the long suffering Palestinians. We took the familiar safety device of abstention. Of course there are problems, but there is a difference in this case. There is an interesting difference between our performance at ICAO or UNESCO. We know there are problems. All but one of the Arab states now seem prepared to look upon the PLO as the spokesman for the Palestinians and all present voted in favour.

[Miss Bégin.]

The government of Jordan has a different point of view from the rest of the Arab states. Does Canada agree with the Jordanian position? Canada is in the Middle East in the UNEF. Canada is a charter member of the United Nations. I believe we are wisely establishing new diplomatic missions in Arab states. Having long recommended such a move, I expressed pleasure on the opening of an embassy in Saudi Arabia. I am glad that Yemen is strengthening its diplomatic contacts with us. The appointment of an ambassador from Canada, stationed in Baghdad, is long overdue.

But what I should like to know is the view of the government on the situation referred to in my question, and I hope that the distinguished parliamentary secretary, my long time friend from New Brunswick, will tell us tonight what is the view of the government of Canada. What are we doing to make our contribution toward peace in the troubled Middle East? Let us never forget that Armageddon is located in that part of the world. How are we demonstrating our awareness of the new prospects for advancing the cause and the lot of the long suffering Palestinians? Such a tragic situation, so egregious an affront to human dignity, cannot go on forever; indeed it should not go on longer.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, in November of 1973, during his visit to the Soviet Union the then secretary of state for external affairs expressed the view, which he reconfirmed in the House on November 26, 1973, that the Canadian government believes the Palestinians should be represented in one way or another at the Geneva conference on the Middle East. This is obviously necessary since the whole question of the future status of the Palestinians is a major element in any future and permanent settlement eventually reached by the parties concerned.

Canada has not advocated the attendance at this conference of the Palestine Liberation Organization itself. We do not believe we can prejudge the question of whether the PLO is the only legitimate representative of the Palestinians since this is an issue which must be settled by the parties themselves.

TRANSPORT—SUGGESTION FEDERAL GOVERNMENT JOIN IN URBAN TRANSPORTATION DEVELOPMENT CORPORATION

Mr. Bob Kaplan (York Centre): Mr. Speaker, although my question is in the area of industry, trade and commerce, allow me to just say that I could not believe my ears when I listened a moment ago to the hon. member for Hillsborough (Mr. Macquarrie) speak about the poor Arab refugees who have had no support from anyone in the world. Certainly they have had no support from the billionaire Arab interests in the Middle East except to finance propaganda. I think his was a disgraceful intervention.

I asked, in the House last Friday, a question about the Urban Transportation Development Corporation which is a corporation recently established by the government of Ontario. When I first learned of the Urban Transportation

Development Corporation my reaction was one of regret that this corporation had not in fact been established by the federal government. The objectives of the corporation are very important for an urbanizing society. In my own area, the region of metropolitan Toronto, the problem of urban transportation is a critical one and new solutions are required, new and innovative technology.

A few years ago this corporation was established by the province of Ontario and the hope was expressed at the outset that there would be federal interest and participation in it. I am enthusiastic about it for a number of reasons. I am enthusiastic because it addresses itself to one of the most serious urban problems. I am enthusiastic about it because its approach is to look for innovation. It very rarely happens that new solutions are found by old line companies. It seems that companies that are practised, experienced and committed in transportation need some kind of a push or a boost to provide new ideas. This corporation can provide them.

● (2210)

I am enthusiastic about it because it emphasizes development activity within the private sector. It is not the intention of this corporation to be in business to produce goods or to produce services. On the contrary, the idea is to be a contractor; to generate and stimulate within the private sector a new kind of industry—an industry badly needed for the future of Canada.

Lastly, Mr. Speaker, I am enthusiastic about the corporation because it is already succeeding. It has already promoted improved production; it has already promoted some successes and already established some technology. It has already made sales outside Ontario and outside Canada even, in the United States.

I use my question, Mr. Speaker, as a method of urging the government of Canada to participate in this corporation. The province of Alberta has already undertaken to become part of it, though the details of its commitment and the role it will play financially and otherwise have not been publicly announced. I hope that the federal government will play a role at least as important as that of Alberta and, hopefully, the other provinces of Canada.

Mr. Gaston Clermont (Parliamentary Secretary to the Minister of Industry, Trade and Commerce): Mr. Speaker, the government is very much aware of the importance of creating a national based urban transportation development corporation to assist in solving the urban transportation problems. Indeed, on two occasions in the Speech from the Throne the determination of the government to establish such a corporation has been stated.

The first positive step in this direction was the proposal by the former minister of urban affairs (Mr. Basford), at a trilevel government meeting in Edmonton that such a corporation be established. The purpose of this corporation was to bring together the interests of the federal government and the provincial governments in resolving a number of the urban transportation problems that faced various municipalities.

Many of these problems have a common base and the purpose of this corporation would be to identify these areas of common interest, to identify the types of equipment that might best meet these requirements, and to ensure that to the maximum extent possible this equipment would be produced in Canada. The government's purpose has been to join in the creation of a strong organization which had both federal and provincial participation which would assist industry to design, develop and produce transportation systems and equipment needed in Canadian urban areas.

The government has initiated discussions with all the provinces and there is general agreement that a corporation with these objectives would be beneficial and would contribute substantially to the solving of a number of urban transportation problems.

In considering the establishment of such a corporation it has been important to acknowledge the progress in urban transportation development that has been achieved by the province of Ontario and to utilize that experience as the nucleus for a nationally based organization. I am pleased to report that recent discussions with Ontario appear to have produced a basis for agreement. If such an agreement is reached the government plans, as a matter of priority, to place details for participation before the other provinces. I hope that the other provinces will find the proposed terms and conditions acceptable.

It is the intent of this corporation to provide leadership, and development and production of urban transportation systems that will enhance the social well being of many Canadians.

MANPOWER—DEVELOPMENT OF NEW COMMUNITY EMPLOYMENT STRATEGY—INQUIRY AS TO GOVERNMENT POLICY

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is to the Minister of Manpower and Immigration (Mr. Andras) and is in connection with the announced three year program that was going to be signed with the provinces. I am concerned about what is going to happen in regard to the unemployment situation in the Atlantic region in the meantime. Surely LIP grants and unemployment insurance benefits are not the answer.

I should like to ask the parliamentary secretary, or whoever is speaking for the minister, when are we going to get from the federal government a co-ordinated plan for the development of the Atlantic region?

When the federal government set up the Atlantic Development Board, ministers promised a plan and talked about it in their speeches. We were told a plan would be forthcoming. When they set up the Area Development Agency they promised such a plan for the Atlantic region. Also, when they set up DREE they promised such a plan. Now we are in 1974 and we, in Atlantic Canada, are still the poorest of all regions in this country, with the possible exception of the Northwest Territories.

I am afraid that the government has become so used to setting up special functions and institutions which can be used in the Atlantic region that it has forgotten that national policies such as those of fiscal and monetary restraint of the 1969-1970 period can wipe out any good done by these institutions. I fear that we shall see much the same thing again in the November 1974 budget. Such a budget, a repeat of 1969-1970, would erase a great deal of

good that some programs for regional development and expansion have done. In other words, there is a contradiction inherent in the government's national fiscal and monetary policy and in its regional development policies.

I include the government's manpower policies in this general inconsistent behaviour toward the Atlantic region, so many areas of which are floundering on the shoals of lack of job opportunities. What I say is also true to some extent regarding the government's training and retraining programs which, in part, have become another form of welfare, of band-aid help which is not effective enough to meet the needs of regional structural changes which are necessary if there is to be reconstruction of the economy and sustained employment in that region.

It is time for all politicians of the Atlantic region to stop fooling the people in Atlantic Canada about two things. Let them not give the people exaggerated impressions to the effect that income and employment prospects from off-shore oil exploration will make much difference to the region. Second, let them not hold out the forlorn hope that Fundy tidal power is being seriously considered by this government as part of the answer for meeting Canada's energy needs in the next decade.

Let them, Mr. Speaker, develop a serious plan for the Atlantic Region which will take advantage of our geographical position, an advantage which has come about because of changing technology in transportation, and which has changed our relationships with the markets of the world. I am referring to the development of our container ports and our deep water ports. There are two in eastern Nova Scotia, and one of those, Gabarous, is in my riding. The site has been recommended by steel experts who have studied the subject for DREE as a prime site for a labor intensive steel complex.

I hope such developments will be included in a new redevelopment policy and plan which will also redevelop the basic resources of the Atlantic region and thus provide a real answer to the problems which have plagued Atlantic Canada for at least half a century.

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, in response to the question by the hon. member for Cape Breton-East Richmond (Mr. Hogan) on October 8, let me begin, as he did, by referring to the community employment strategy, which is a long-term plan, as he indicated, to combat the problems of the chronically unemployed or under-employed.

The hon. member expanded on the terms of reference of the original question and referred in a broad sense to government policies. It is impossible in three minutes to speak of the impact of DREE on the Atlantic Region, although, without question, DREE has been successful in creating many jobs. Tonight I can only speak on behalf of the Department of Manpower.

Let me begin by talking of the community employment strategy which is aimed at helping specific groups which experience particular difficulty in keeping and finding regular employment. Some of these are the physically handicapped, the mentally retarded, socially handicapped, ex-inmates of mental or correctional institutions, people living in areas of chronic unemployment, and single parents. In the Atlantic area we know particularly of those in the second last category, people living in areas of chronic unemployment.

● (2220)

This program is being developed in conjunction with National Health and Welfare. Indeed, it is as a result of the policy paper the Minister of National Health and Welfare (Mr. Lalonde) put out last year. One important aspect of it is that it attempts to involve the community in the definition and, indeed, the resolution of their specific problem. To my mind, that is a departure from what we have been doing up until this time. It will tell the community of the impact of our present programs on them and, together with them, try to seek answers to improve those programs and the employment situation in a particular community.

This is a long-range plan. It is one worth undertaking. It will have beneficial effects. However, it in no way indicates that there is any lack of appreciation or emphasis on our present programs or ongoing activities. We want to emphasize the extensive efforts that have already been made by Canada Manpower to reduce unemployment.

The hon. member referred to the Canada Manpower training program. He called into question its effects. I believe that program is certainly worthwhile. The hon. member will agree that in this time of rapid change it is very important that we keep our skilled people up to date. Canadian workers change jobs many times during their careers. It is incumbent upon us to provide continuously educational opportunities for them as they do this.

The $2 billion spent on training programs in the past represents a very successful investment. We have reorganized Manpower Placement Services. I can tell the hon. member that in my own area of Atlantic Canada, for example in my constituency, there has been a decentralization of Manpower services over the past year or 18 months. In my opinion this is of great benefit in meeting the local placement needs.

The department instituted a system of farm labour pools which was designed to ensure that crop harvests are not hindered by inadequate labour supplies.

The hon. member also referred to the short-term job creation program that had been recognized nationally, the local initiatives program. There is certainly agreement that LIP is not the answer to long-term unemployment. It was not designed for that purpose. It has been continually modified since its inception, and will be continually modified during the progress of this parliament, in consultation with members on both sides of the House. We regard this as important and effective. What I like better is the Local Employment Assistance Program which, I feel, has a long-term effect on many areas of unemployment.

Mr. Deputy Speaker: Order, please. I regret I have to interrupt the hon. member because the time allotted to him has expired. The motion to adjourn this House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

HOUSE OF COMMONS

Wednesday, October 16, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

First report of Standing Committee on Health, Welfare and Social Affairs in both official languages—Mr. Isabelle.

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

* * *

● (1410)

EXTERNAL AFFAIRS

CANADA'S ABSTENTION FROM UN VOTE CONCERNING PALESTINIAN LIBERATION ORGANIZATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity concerning the abstention by Canada's representatives on the resolution under which the Palestinian Liberation Organization was granted the right to participate in a special General Assembly debate on the Middle East in November.

Because of the government's lack of courage and tergiversation, and without having brought the matter before the House of Commons for consideration, Canada has been placed by its abstention in a position of being against the state of Israel whose people have suffered so terribly for many months from the ruthless guerilla attacks of the PLO. I would therefore move:

That this question be placed immediately before the Standing Committee on External Affairs and National Defence.

Mr. Speaker: The House has heard the terms of the motion being proposed pursuant to Standing Order 43. It cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Without there being unanimous consent, the motion cannot be put.

AGRICULTURE

REPORTS ON EGG PRICES AND CONSUMER INTEREST IN MARKETING BOARDS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James. A. McGrath (St. John's East): Mr. Speaker, I rise under the provisions of Standing Order 43. I have given prior notice of my motion to the hon. member for Kenora-Rainy River (Mr. Reid).

On October 1, 1974, at page 15 of *Hansard* the Minister of Agriculture (Mr. Whelan) is reported to have informed the House that the report of the Farm Products Marketing Council, arising out of the first report of the Food Prices Review Board on egg prices in Canada, which was released in January of this year would be presented shortly thereafter. Furthermore, on October 4, 1974, at page 132 of *Hansard,* the Minister of Consumer and Corporate Affairs (Mr. Ouellet) is reported to have said that he would be releasing the Forbes report on consumer interest in marketing boards the following week. In view of the importance of these two reports to the special committee that is being set up to inquire into the activities of the Canadian Egg Marketing Agency, I should like to move:

That these reports be tabled at the next sitting of the House.

Mr. Speaker: Order, please. The House has heard the motion proposed pursuant to Standing Order 43. It cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the motion cannot be put.

* * *

[*Translation*]

FINANCE

SUGGESTED LOWERING OF INTEREST RATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss an important and urgent issue.

Owing to the frightening reduction of investments in the Canadian economy as a result of overly high interest rates on short and long-term mortgages in Canadian banks, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the government consider the opportunity of asking the Bank of Canada to reduce gradually its interest and prime rates to chartered banks, in order that those banks may also act accordingly and reduce

interest rates so that the Canadian people may enjoy short, mid- and long-term loans at more reasonable prices.

Mr. Speaker: Order. The House had heard the motion of the hon. member. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion cannot therefore be put.

* * *

[*English*]

PUBLIC SERVICE

APPOINTMENT OF MICHAEL PITFIELD—CHANGE IN MERIT SYSTEM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek leave of the House to move a motion of urgent and pressing necessity. In view of press reports attributed to the hon. member for Windsor West (Mr. Gray) about the appointment of Michael Pitfield and his own demotion from cabinet, and also in view of the necessity of preserving the merit system in the public service, I should like to move:

That the House request the Prime Minister to make a full and detailed statement on all circumstances surrounding the appointment of Michael Pitfield as Clerk of the Privy Council and secretary to the cabinet including the specific reasons for his appointment, whether or not the merit system was followed, the names of all senior public servants who were also considered for the appointment and the reasons that they were found unacceptable, whether or not Mr. Pitfield recommended to the Prime Minister that the former minister of consumer and corporate affairs be relieved of his post, and whether or not the Prime Minister will make additional appointments to high positions in the public service from among his friends and admirers.

Mr. Trudeau: What about changes in the shadow cabinet?

Mr. Baldwin: How about merit in the cabinet?

Mr. Speaker: Order, please. I would remind hon. members of the provisions of Standing Order 43. It is an important device and an important rule for the benefit of members who wish to bring a matter to the attention of the House. To quote the rule, it provides:

A motion may, in case of urgent and pressing necessity previously explained by the mover, be made by unanimous consent of the House without notice having been given under Standing Order 42.

It is the custom, of course, to put such motions to the House because they cannot be moved without unanimous consent. Simply because they require unanimous consent, however, that is not evidence that motions put forward under that rule ought not to conform with the basic requirements of the regulations which are that it be a matter of urgent and pressing necessity. I would remind hon. members that they ought to respect that part of the regulation. In this particular case, while I have some reservations about the urgency or pressing necessity of the subject, I am prepared to ask if there is unanimous consent that the motion be put. I should remind hon. members however that they ought not to attempt to extend the provisions of the rule.

This motion has been heard by the House. As it was proposed pursuant to Standing Order 43 it cannot be put without unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent the motion cannot be put to the House.

Mr. Cossitt: On a point of order, Mr. Speaker. With due respect to the Chair, I would simply say in regard to this matter that I feel I am within the rules in presenting a motion at this time under the term "urgent and pressing necessity" when it seems to be a question that the merit system in the public service could be breached—

Some hon. Members: Order, order!

Mr. Speaker: Order, please. The House was, in fact, asked for unanimous consent as the hon. member knows. Oral Questions.

ORAL QUESTION PERIOD

[*English*]

IMMIGRATION

ALLEGED ADOPTION OF RESTRICTIVE POLICY—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question to the right hon. the Prime Minister relates to the statement made a couple of weeks ago by the Minister of Manpower and Immigration confirming that the government is examining the implications of the dramatic increase in applications for immigration. Has the government decided to change the regulations under which relatives of people already in the country can be nominated as immigrants? If this decision has been made, can the Prime Minister indicate briefly the nature of the change?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as was announced in the Speech from the Throne, a policy paper on immigration will be published in the new year. This will indicate some new directions which the government proposes and which we hope will be fully discussed in this House. As to any interim measures taken before then, all I can say at this moment is if any announcement is to be made it will be made by the government in this House. I would say that I can guarantee in advance that if such is the case it will not depart from the practice of government and of the law of ensuring a policy which is universal and non-discriminatory in its selection criteria.

Mr. Stanfield: Mr. Speaker, a supplementary question. Could the Prime Minister tell the House whether the

cabinet has made a decision in principle that immigration must be cut or restrained?

Mr. Trudeau: Mr. Speaker, in my view, the Leader of the Opposition should not attempt to ascertain what is going on in cabinet any more than his colleague from Leeds should be expected to challenge the Prime Minister on employees on the staff of cabinet.

● (1420)

Mr. Stanfield: Mr. Speaker, I always appreciate the help and advice of the Prime Minister.

Mr. Trudeau: You need it.

Mr. Stanfield: In that case, sir, I appreciate it even more.

Mr. Hees: There sits paternalistic Pierre, always willing to help.

Mr. Stanfield: Despite the lecture from the right hon. gentleman, which I accept in good part, it is appropriate for a member of the House to ask the government whether a decision has been made by the government on an important matter of principle. Now that the Prime Minister has given me the lecture, for which I express appreciation, will he answer the question? Will he tell us whether a decision has been taken on the principle of restricting or cutting immigration to Canada?

Mr. Trudeau: Mr. Speaker, obviously, there is disagreement here about practices in cabinet. I do not know what the hon. gentleman's practice was when he was leader of a provincial government.

Mr. Baker (Grenville-Carleton): He did better than this government has done.

Mr. Trudeau: I assure the hon. member that if the government makes decisions which concern the public, they will be made public in the usual way and discussed with the provinces. As for other discussions or decisions which will be made in cabinet, they will remain subject to cabinet secrecy.

Mr. Baldwin: But you never decide anything.

* * *

EXTERNAL AFFAIRS

EFFECT OF REGULATION ON RE-UNIFICATION OF FAMILIES ON POSSIBLE TREATY ON EUROPEAN CO-OPERATION AND SECURITY

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Does the new immigration policy mean that Canada has changed its position on the re-unification of families being a condition precedent to a possible treaty on European co-operation and security?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, without commenting on the immigration aspect of the question, I assure my hon. friend that the objectives being pursued by Canada with respect to the re-unification of families at the European conference are still valid and relevant.

* * *

IMMIGRATION

ALLEGED ADOPTION OF RESTRICTIVE POLICY—REQUEST FOR ASSURANCE OF NO DISCRIMINATION ON BASIS OF RACE OR GEOGRAPHY

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my supplementary question is directed to the Prime Minister. In the light of various reports that a proposal is being put forward to pass restrictive regulations affecting particularly immigration from parts of Europe such as Italy and Portugal, and from the Caribbean, South America and Asia, will the Prime Minister assure the House now that no changes in the regulations are contemplated which will revert to the old system of discrimination on the basis of geography or race.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I gave that undertaking in my answer to the first question asked by the Leader of the Opposition.

ALLEGATION GOVERNMENT LEGISLATING BY REGULATION—REQUEST FOR ASSURANCE PRACTICE WILL CEASE UNTIL GREEN PAPER PUBLISHED

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a supplementary question to the Prime Minister on the same matter. It seems to me that this is the second time the government wishes to legislate by way of regulation on an important issue.

Some hon. Members: Order, order.

Mr. Alexander: What's the problem?

Mr. Turner (Ottawa-Carleton): Ask the question.

Mr. Alexander: Mr. Speaker, notwithstanding the promised green paper, the government is regulating by way of legislation. Many people, including members on this side of the House, take a dim view of that. Will the Prime Minister assure us that this sort of practice will cease until the views of the Canadian people have been known through the green paper. Will the government avail itself of that course, instead of doing things by this devious method?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me that the opposition is making in advance speeches it may want to make if the government ever makes a statement on motions on the subject.

Mr. Alexander: Mr. Speaker, the Prime Minister is getting "snarky". I have the greatest respect for him. Will he give that assurance? Surely, a matter of such importance should not be legislated by way of regulation. I am asking the Prime Minister to give this House and the country some assurance that this practice will cease forthwith.

Mr. Trudeau: Mr. Speaker, I should like to know what practice the hon. member is referring to in his "snarkiness"?

Mr. Alexander: To legislating by way of regulation: That is the practice to which I was referring.

Mr. Trudeau: Mr. Speaker, the House of Commons passes bills which permit the government to adopt regulations. The hon. member should know that, in his "snarkiness".

Mr. Alexander: Mr. Speaker, I do not mind the Prime Minister giving me a lecture. I know he is the end-all when it comes to wisdom. However, my point is this. This government promised a green paper on immigration which was to be discussed by the Canadian people. In the meantime, they are legislating by regulation. This is the point I am trying to bring to the Prime Minister's attention.

Mr. Speaker: Order, please. The hon. member has the floor on a point of order. As I understand his point, he is complaining about the failure to answer or the quality of the answer given by the Prime Minister. It is the right of hon. members to pose questions during the question period. It is the right of ministers to whom the questions are directed to answer as they see fit or not answer at all. Any comment on the quality of the answer is fair comment. However, I do not see why a complaint about the quality of an answer or failure to answer, if that is what the comment is about, is in fact a point of order. It is a subject for comment. It is fair comment. However, I do not see it as a point of order. I am aware of no way in which the Prime Minister can be compelled to make any different answer than that which he has given.

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HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF DELEGATION FROM BULGARIA

Mr. Speaker: May I take this opportunity to call attention to the presence in the gallery of a very distinguished delegation visiting Canada at the present time. The delegation from Bulgaria is led by their very distinguished Speaker, Dr. Bonev.

Some hon. Members: Hear, hear!

Mr. Speaker: I can scarcely think, for the interest of the visiting delegation, that the question period could have started off with a more interesting or lively topic.

* * *

INDUSTRY

UNITED AIRCRAFT—REPATRIATION OF WORK AND EXPANSION PLANS OF COMPANY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. When the minister appeared before a committee of this House last night, he denied that my statement that United Aircraft had decided to cut back some 35 per cent of their production scheduled for next year was accurate. The minister denied that the company ever made such a statement. That has subsequently been denied by the company, a company official having said of the minister, and I quote, "He should know better." Has the minister had further conversation with the company in order to get straightened out? Second, and more important, has he attempted to get that company to reverse its position and live up to its obligation to provide the employment in Longueuil for next year that they should provide?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I would have thought the hon. member would have wanted to get his facts firsthand rather than relying on newspaper reports.

Some hon. Members: Oh, oh!

Mr. Gillespie: If he had done so, he would have learned from the corporation that no work has been transferred to other plants for some months and no further transfers of work from Longueuil are contemplated. Further, the level of work in Longueuil at the end of 1975 is expected to be 40 per cent greater than the average during 1973.

Mr. Broadbent: Mr. Speaker, considering all that is irrelevant—

Some hon. Members: Oh, oh!

Mr. Broadbent: I know it is difficult for the Minister of Finance to understand these complicated matters. The expansion plans for next year, which were based on research and development in part funded by this government, were going to be much greater than they are now going to be because of the cutback. The company official said that it was going to be somewhere in the range of 75 per cent next year and this is going to be cut back to 35 per cent. The minister has not denied that. He just tried to talk around it. That is surely the point. Is the minister saying to this House that that company is not cutting back in its expansion plans by some 35 per cent next year? If that is what he is saying, it is in fact a contradiction of what an official of that company has stated publicly.

Mr. Gillespie: Mr. Speaker, I have said that the company has found it possible to continue to expand its operations by repatriating the work which had been temporarily transferred. Further, there is every likelihood, on the basis of present expectations, that activity in the plant in 1975 will be 40 per cent greater that it was in the best previous year ever.

● (1430)

UNITED AIRCRAFT—CONTRACTUAL ARRANGEMENTS IN RESPECT OF CONTROL OF PRODUCTION OF ENGINE

Mr. Edward Broadbent (Oshawa-Whitby): I should like to ask the minister this question: should the company decide to cut back to a negligible point, even if it were 40 per cent above the one per cent it is now producing, what protection, in terms of contractual arrangements, does the government enjoy with respect to control over the rights to produce that engine, an engine which was developed in

Canada? Could the company transfer indefinitely the right to produce that engine to the United States?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): As I have already indicated, I expect that the transfer is very much of a temporary nature.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

ALLEGATION THAT TOO MANY SPORTS EVENTS TELEVISED—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Secretary of State responsible for the CBC.

Last weekend, namely on Saturday the 12th, Sunday the 13th and Monday the 14th, the following programs were televised by the CBC network: at 1 p.m., one hour of wrestling; also, at the same time, one hour of golf. At 3 p.m., some baseball, five hours of it. In the evening, at 8 p.m. two and one-half hours of hockey followed by a football game that lasted approximately four hours. Sunday, we were entitled to eight hours of sports. Monday, another baseball game was televised.

Mr. Speaker, has the CBC become a "sportscaster" only? Does the minister intend to intervene and ask the CBC not to tax indefinitely the patience of the Canadian public, which is starting to have its fill of it?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, the answer to the first part of the question is, no. As I understand it, officials of the Corporation will be appearing before the Parliamentary Committee on Broadcasting, Films and Assistance to the Arts. If the hon. member has some thoughts as to how the program mix might be improved, I think he should put them forward there.

* * *

AGRICULTURE

INCIDENCE OF BRUCELLOSIS IN SOUTHEASTERN ONTARIO—REQUEST FOR REINSTITUTION OF VACCINE SERVICE

Mr. Allan Lawrence (Northumberland-Durham): My question, of which I have given notice, is directed to the Minister of Agriculture. In the light of published reports and other reports now in the hands of the minister concerning the serious incidence of brucellosis among herds in southern Ontario, especially southeastern Ontario, is the government giving serious consideration to reinstituting the vaccine service?

Hon. E. F. Whelan (Minister of Agriculture): The hon. member gave me notice of the question only as I was entering the House. The reports I have received are to the effect that the national average of brucellosis infection for the whole nation is still very low. We are very concerned about flare-ups which are occurring in different areas, but until we find evidence that there is a better way of doing things than we are using at the present time, we are still controlling this disease by keeping the herds in quarantine and so on. We realize this is inconvenient to farmers, but we still think it is to the advantage of our world trade in cattle, because we have the most disease-free cattle population in the world.

Mr. Lawrence: I am obviously not talking about the national average; I am talking about the growing incidence of this disease in southeastern Ontario, particularly. Is the minister giving any more serious consideration than he has indicated today to reinstituting the vaccine service which was once in effect? Is he giving any serious consideration to this problem at all?

Mr. Whelan: There is no law against using vaccine. We do not recommend it because when cattle are exported it shows up in some of the tests, suggesting that the animals have contracted brucellosis when, in fact, they have not. So the countries which would normally import the cattle just wouldn't take them. It could hurt an $880 million business if we do not follow the regular procedure and make sure that our animals are disease-free. We have raised the level of compensation to farmers, we are speeding up our testing programs, and now that the cattle are in barns, in close confinement, we are able to do this much more effectively than we could before.

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EXTERNAL AFFAIRS

DATE OF ANNOUNCEMENT OF APPOINTMENT OF HIGH COMMISSIONER TO UNITED KINGDOM

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Prime Minister. Can the right hon. gentleman tell the House when an announcement will be made with respect to the appointment of a new Canadian High Commissioner to Britain?

Right Hon. P. E. Trudeau (Prime Minister): Later this day, Mr. Speaker.

[*Later:*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, could I seek the indulgence of the House to correct an earlier answer I gave the hon. member for Wellington-Grey-Dufferin-Waterloo. In the phrase "later this day" I should like to change the word "day" to "by the end of the week".

* * *

NATIONAL DEFENCE

EFFECT OF CUTBACKS IN PERSONNEL ON FOUR MAIN TASKS OF CANADIAN ARMED FORCES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, a question for the Minister of National Defence. Yesterday, the minister identified four main tasks for the Canadian Armed Forces. Bearing in mind his intention to reduce the number of those serving in the forces and his statement that "reduction in numbers inevitably means some reduc-

tion in tasks", would the minister advise the House where the reduction will take place? Which of the four main tasks of the Armed Forces will be affected?

Hon. James Richardson (Minister of National Defence): We do not contemplate any drastic reductions, but common sense adjustments, and these will probably be in most of the tasks performed by the Armed Forces.

Mr. McKinnon: Is the minister prepared to specify the order of priority he assigns to the four main tasks? In other words, which of the tasks of the Armed Forces would be the least susceptible to cutback?

Mr. Richardson: I am presenting a number of alternatives to my colleagues. When the cabinet has reached a decision it will be made known.

* * *

SUPPLY AND SERVICES

SALE OF FOYMOUNT RADAR BASE—REASON FOR REFUSAL OF BID BY PERLEX INTERNATIONAL

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to address a question to the Minister of Supply and Services, in relation to the Foymount Radar Base. Can he tell us why the government, through his department, did not accept the highest bid by Perlex International Chemicals Limited of $1,542,360 and, instead, accepted a lower bid of $351,000, a decision which cost the Canadian taxpayer the sum of $1,191,360?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, we received eight tenders varying from $350,000 to $110,000, including one in the amount of $1,500,000. The International Perlex bid for $1,500,000, could not be accepted because a cheque for 10 per cent of the amount offered was not enclosed and because the financial stability of the company was not established to the satisfaction of the Corporation.

[*English*]

Mr. Dick: If the bid was not in order, in that the deposit at the time of opening the bid was insufficient, why was the bid not rejected outright in conformity with the rules of tendering? Why, instead, did negotiations go on through the minister's office, a practice which is not in accordance with tendering rules, in an attempt to have the bid brought within the possibility of acceptance?

[*Translation*]

Mr. Goyer: Mr. Speaker, no negotiation was conducted in my office. Negotiations have been effected through the Corporation and then, because a tender does not comply with the Corporation's rules, there is no reason for us to reject all the others. In this case, we had seven other valid tenders.

● (1440)

Mr. Dick: Mr. Speaker, I rise on a question of privilege. The minister has just informed us that no officials of his department conducted any negotiations, yet on page 3—

[Mr. McKinnon.]

An hon. Member: He didn't say that.

Mr. Dick: I am sorry, I meant officials in his office. However, on page 3 of the press release he gave today, it states that he did not meet personally, but officials of the Crown Assets Disposal Corporation and "my office" did meet with them. So perhaps he is now directing himself in an attempt to try to perfect his answer a little better than he perfected the original tender.

[*Translation*]

Mr. Goyer: Mr. Speaker, on this point of order, I would simply say that because some people met officials of my office it does not mean that negotiations have been conducted there. Some representations have been made which were conveyed to the Corporation for consideration. Later on, they were rejected because they were not bringing anything towards the solution of a settlement.

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AGRICULTURE

REQUEST FOR FINANCIAL ASSISTANCE TO QUEBEC FARMERS—REPRESENTATIONS BY PROVINCIAL AUTHORITIES—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, as I said earlier, I wish to direct my question to the Minister of Agriculture.

Last week, over 2000 Quebec farmers invaded Quebec City to let the provincial Minister of Agriculture know about their dissatisfaction with the price they are paid for their products. Can the minister tell the House whether following this demonstration he has received representations from the Quebec Minister of Agriculture requesting financial assistance for those farm producers?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not know whether I received a direct representation from the Quebec minister, but I certainly have from Quebec members of our caucus.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, on a supplementary. May I ask the Minister of Agriculture whether leaders of the Union des producteurs agricoles have made representations to him following that demonstration and the representations made to the provincial Minister of Agriculture?

[*English*]

Mr. Whelan: Mr. Speaker, all I can say is that if I received a message from the provincial minister of agriculture for la belle province I have not seen it yet.

FOOD PRICES REVIEW BOARD

POSSIBILITY OF RESTRICTED TERMS OF REFERENCE—GOVERNMENT POSITION

Mr. James A. McGrath (St. John's East): Mr. Speaker, is the Minister of Consumer and Corporate Affairs in a position to assure the House that the already narrow terms of reference of the Food Prices Review Board will not be further restricted as outlined in that enlightened speech by the hon. member for Windsor West and, more particularly, in view of the statement by Mrs. Plumptre that she would resign if in fact the terms of reference were further restricted?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I can assure the hon. member that the terms of reference have not been narrowed at all.

An hon. Member: Are they going to be?

Mr. Ouellet: The terms of reference are the same as they were before the reference in the Speech from the Throne.

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CONSUMER AFFAIRS

REQUEST FOR TABLING OF FORBES REPORT AND REPORT OF FARM PRODUCTS MARKETING COUNCIL

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the setting up of a special committee tomorrow to examine into egg prices, arising out of the report of the Food Prices Review Board, is the minister now in a position to table the report by Professor Forbes, chairman of the Consumer Advisory Council, and also the report of the Farm Products Marketing Council which conducted an investigation into egg marketing in Canada, and dealt with by the Food Prices Review Board.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, if I have the unanimous consent of the House I would be delighted to table the Forbes Report which was released today by the Consumer Advisory Council. As to the other report, my colleague the Minister of Agriculture will, I am sure, want to table it as soon as possible.

Mr. McGrath: Mr. Speaker, may I direct my question, then, to the Minister of Agriculture. In view of the setting up of a committee tomorrow to examine into the activities of the Canadian Egg Marketing Agency, and in view of the relevant nature of the special report of the Farm Marketing Council to that investigation, will the minister now table that report or assure the House that he will table it tomorrow since he has had it in his possession since last April?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the only reason it has been delayed, as I understand it, is that it was not printed and there were no copies. I understand it had not been printed because an okay had not been received and the printing did not go ahead during the summer months. The printing has now been ordered, and if the report is available tomorrow it will be tabled tomorrow. If it is not available I cannot table it. As soon as the printing is finalized, the hon. member can be sure that I will want to table it as soon as possible.

Mr. McGrath: Mr. Speaker, on a point of order I should like to ask whether the minister has the unanimous consent of the House in respect of the tabling of this report.

Mr. Speaker: The hon. member has suggested that with the unanimous consent of the House we might now table the report the minister has in his hand. Is that agreed?

Some hon. Members: Agreed.

* * *

HOUSING

REQUEST FOR FUNDS FOR CONSTRUCTION OF EXPERIMENTAL SOLAR HOUSES

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, will the Minister of State for Urban Affairs give a high priority to any request by Central Mortgage and Housing Corporation for research funds which might follow the request of Professor Robert Swartman that the CMHC direct research money to the building of 20 experimental solar houses in various parts of Canada?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, this application has been made under a demonstration project for 1976 and it will be the advisory committee of highly qualified professionals who will make that judgment.

REASON FOR CLOSING OF POLYSAR PLANT IN MALTON, ONTARIO, FOR CONSTRUCTION OF PREFABRICATED HOUSES

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, will the Minister of State for Urban Affairs confirm or deny reports that the Canada Development Corporation is planning to close down its Polysar housing construction plant in Malton, Ontario, due to the fact that a shortage of serviceable land and the tight mortgage market has forced it to reduce production below the break even point?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I received a letter from the president of Polysar to the effect that it was closing down its operations at the prefabricated housing plant. Part of the reason given was a shortage of serviced land, but I think there are other problems inherent in the process.

Mr. Kempling: Mr. Speaker, would the minister explain why the Canada Development Corporation did not take prior measures to ensure the availability of adequate serviced land for the modular townhouses produced by Polysar before it arranged for the production of four houses per day and planned to increase that production to six houses per day?

Mr. Danson: Mr. Speaker, the Canada Development Corporation does not report to me. In addition, it operates

in the private sector particularly, as does Polysar. As all hon. members who have been in business will know, there are some awful mistakes in the private sector, too.

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AIR TRANSPORT

CANADA-CUBA ROUTE—POSSIBLE COMPLETION OF NEGOTIATIONS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Minister of Transport whose involvement in the question period is essential to a good day. In light of the significantly increasing volume of air travel between Canada and Cuba by charter and via the circuitous Mexico City route, is he now in a position to advise that the long continuing negotiations for a direct and regular Canada-Cuba service are approaching a successful conclusion, and when does he expect this direct service to begin?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, to my knowledge there are no negotiations with Cuba going on at this moment. Of course, there are charters going to Cuba once in a while, but that is all I can say.

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INDIAN AFFAIRS

DISCUSSIONS BETWEEN GOVERNMENT OFFICIALS AND NATIVE PEOPLE ON IMPROVING HOUSING STARTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct my question to the Minister of Indian Affairs and Northern Development, if I can get his attention. In view of the statement yesterday dealing with Indian Affairs by the assistant deputy minister to the effect that the number of houses being built for native people represents only a fraction of the number needed, I should like to know whether officials of the minister's department are meeting with senior officials of Central Mortgage and Housing Corporation and representatives of the National Indian Brotherhood to determine whether the process of building homes for native people can be expedited in the very near future?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the brotherhood has given me its proposal on housing which is being analyzed by officials of the Central Mortgage and Housing Corporation and my department. We are hopeful that we can make very significant headway in respect of this housing construction.

Mr. Orlikow: Mr. Speaker, in view of the fact that the position of the National Indian Brotherhood was presented to the department and the government last April, almost six months ago, can the minister indicate when in the near future they might reach an agreement, or when there will be further discussions, which might lead to an agreement, with representatives of the National Indian Brotherhood?

[Mr. Danson.]

Mr. Buchanan: Mr. Speaker, I hope to be bringing forward some proposals in this area within the next three to four weeks.

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HEALTH

ALLEGED HOARDING OF PANCREASES FOR MAKING OF INSULIN—REQUEST FOR INVESTIGATION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, in view of reports that beef and pig pancreases, from which insulin is made, are being hoarded by at least one major Canadian meat packing plant, is the Minister of National Health and Welfare carrying on an investigation into this matter to determine whether this allegation is true and that the interests of all diabetics in Canada are fully protected, as they have been in the past?

● (1450)

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I wish to thank the hon. member for raising this question and for giving me notice of it. Indeed as soon as the news report was published in the press I asked my department to investigate the matter. The preliminary investigation which has been carried on seems to indicate that at the present time there is no evidence of hoarding, but my department is continuing the investigation and will be meeting with representatives of the drug industry, meat packers, the Canadian Diabetic Association and officials of the Department of Industry, Trade and Commerce to pursue this matter further. I shall be glad to give a further report to the hon. member at a later stage as soon as I have this report. I might point out that at the present time contact with the main producer in Canada, Connaught Laboratories, indicates there is no immediate shortage of insulin in Canada.

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FARM CREDIT CORPORATION

ALLEGED LACK OF FUNDS—GOVERNMENT ACTION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. Since the Farm Credit Corporation has only sufficient money to meet all its loans up to October 4, which is past, and since it is almost certain that the Farm Credit Corporation will actually run out of money by March 1975, I should like to ask the minister what his department is doing about this matter, which could develop into a very serious situation, in order to ensure that an adequate supply of money is channeled into essential areas so far as agriculture is concerned.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the amount of money that the Farm Credit Corporation lends has indeed doubled and nearly tripled this year, because it appears now that more people have confidence in agriculture and want to expand their holdings and so on. We lent over $186 million a year ago and $400 million last year. At the rate we are going it will be over

$530 million this year, even above and beyond our most conservative expectations.

Mr. Murta: I have a supplementary, Mr. Speaker. Unless the minister can give me a more definite answer I would assume from his reply that he does not intend to do anything about ensuring that money is available for the Farm Credit Corporation up to 1975.

Mr. Whelan: Mr. Speaker, I think there is an old saying that by your actions you shall be known. We have more than doubled the amount of money loaned to the corporation. You can be sure we will do everything we can to make it possible that any purchases of farms are allowed to be finalized before next spring, because in respect of any applications we are receiving now the money will not be needed before next spring.

* * *

[*Translation*]

FINANCE

GOVERNMENT POSITION ON POSSIBLE BORROWING FROM ARAB COUNTRIES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in the absence of the Minister of Finance, I have a question for the right hon. Prime Minister.

Since artificial scarcity of oil supply has been allowing Arab countries to accumulate billions for the last 15 months, is the Prime Minister ready to meet financial representatives from these countries, who now have upwards of two billion to lend Canada, at cheaper rates than the American ones, thanks to last year's oil transactions and the money we gave them during the regrettable oil crisis?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would not refuse such a meeting were it proposed, if it should serve a purpose. But as the hon. member knows, the Minister of Finance is chairing an international committee which precisely is tackling the problem, and this country is doing all it can to help bring about a fair and balanced solution.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I wish to direct a supplementary question to the right hon. Prime Minister.

Is he opposed to the possibility of Canada borrowing from Arab countries at lower rates?

Mr. Trudeau: Could the hon. member repeat his question?

Mr. Rondeau: I shall repeat my question, Mr. Speaker. Is the right hon. Prime Minister opposed to the possibility of Canada borrowing from Arab countries at rates which are lower than the international or U.S. preferential rates?

Mr. Trudeau: Definitely not, Mr. Speaker. If the Arabs are willing to grant us interest-free loans, as the policy of the hon. member's party would have it, we should be willing to borrow.

Mr. Rondeau: Mr. Speaker, I have a further supplementary.

There is a difference between the preferential rate of the Arabs and the interest-free loan we have been recommending for a long time in this House.

Since the Prime Minister does not want either to accept this solution and since the Arabs have money to lend to Canada at preferential rates, which is unlike the Americans, is the right hon. Prime Minister prepared to consider this question? We can even provide him with the names of the financial representatives of the Arab countries.

* * *

[*English*]

FARM CREDIT CORPORATION

REASON FOR REDUCTION IN AMOUNT ALLOTTED TO CORPORATION IN ESTIMATES

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is addressed to the Minister of Agriculture and is supplementary to the question put to him by the hon. member for Lisgar in respect of the Farm Credit Corporation. In light of the minister's optimism about the farm industry and its effect logically upon the Farm Credit Corporation, which optimism existed in the minister's mind a year and a half ago, could the minister tell the House why, in his estimates which are now under discussion in the standing committee, he is asking for the Farm Credit Corporation some 20 to 30 per cent less than was asked for in respect of the previous fiscal year?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think the hon. member has to understand the whole lending procedure of the Farm Credit Corporation. You use your revolving capital and borrow what you think you will need for the year. We estimated the needs for the year, but the farmers have shown more optimism even than the Minister of Agriculture.

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FINANCE

ALLEGED ADOPTION OF TIGHT MONEY POLICY—POSSIBILITY OF COMMISSION STUDY OF ECONOMIC ACTIVITIES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Finance I should like to direct a question to the Prime Minister. Would he kindly indicate if in fact we have had a tight money policy for the past three or fourth months in Canada as indicated by Dr. Raynald, Chairman of the Economic Council of Canada last Friday and in any event does he agree that there has been a reduction of 12 per cent in our basic money supply in the last three months.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the monetary policy has been that stated by the Minister of Finance on several occasions and I believe it would be incorrect to describe it as a tight money policy.

Mr. Stevens: Mr. Speaker, I have a supplementary for the Prime Minister. In view of the fact that it is now ten

years since the last report of the Royal Commission on Banking and Finance would the Prime Minister now indicate if he plans to have another royal commission or a similar body study the financial side of the economic activities, especially monetary policies, bearing in mind that the Bank Act will be up for review shortly.

Mr. Trudeau: There is no such plan for the immediate present, Mr. Speaker.

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SPORTS

MONTREAL OLYMPICS, 1976—REVENUE FROM SALE OF COINS AND STAMPS—RESPONSIBILITY FOR POSSIBLE DEFICIT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question, of which I have given notice is directed to the Postmaster General and deals with Olympic financing. Although the minister had indicated to me personally that the revenue for olympic funds derived from sales of coins and stamps is on target thus far, which should make us all very happy, perhaps the minister could explain at this time how COJO expects to reach its anticipated goal of $200 million in coin sales alone by 1976 when the biannual report tabled by the Minister of Finance shows the net proceeds, less reserves, as of March 1974 are a mere $2.5 million?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I thank the hon. gentleman for his courtesy. The figures he quoted are correct as of April, but due to the fact that there has been more salesmanship in recent months the sales are now $68 million, $23 million of which represent profit. The hon. gentleman will be happy to know that tomorrow $800,000 will be turned over to the Canadian Olympic Association to help it promote amateur sport in Canada.

● (1500)

Mr. Jelinek: Naturally, it makes every member of the House happy that things are proceeding somewhat better.

Some hon. Members: Oh, oh!

Mr. Jelinek: Is the minister prepared to assure this House, now, that in fact there will be no deficit whatsoever, and perhaps he is prepared to absorb personally any that there is?

Mr. Mackasey: Mr. Speaker, I can only reiterate government policy, that the federal government has no intention of sharing in the deficit, should there be any, from the Olympic games. My responsibility is limited to the sale of coins and stamps and to be able to turn over to COJO as close to $250 million as possible. That is the sum total of my personal responsibility as minister.

[Mr. Stevens.]

AGRICULTURE

BEEF CATTLE—POSSIBLE CANADIAN REPRESENTATION AT WASHINGTON MEETING ON PROPOSED IMPORT QUOTAS

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question is for the Minister of Agriculture. In view of the continued very uncertain atmosphere in the Canadian cattle industry, and in particular the current calf markets in western Canada, will the minister now indicate if it is the intention of his department to attend and participate in the hearings in Washington on October 25 that will ascertain what retaliatory action the United States intends to take as a result of Canada's global quotas?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if I heard the hon. member correctly, he asked what retaliatory action the United States is going to take. Did I hear the question correctly?

Mr. Hargrave: My question concerned the meeting that is to be held on October 25 in Washington to discuss U.S. potential retaliatory action against Canada's global policy on live cattle and beef. Does the minister, or do representatives of his department, intend to take participatory action in this meeting?

Mr. Whelan: It has not yet been decided. We are prepared to do so if it is decided that that is the best thing. We must make sure that we give them proper notice. We have been meeting with the Cattleman's Association—

Some hon. Members: Oh, oh!

An hon. Member: What a mess.

Mr. Horner: Now, agriculture is in a mess also.

Mr. Whelan: We have ample time to make a presentation to them if we wish. We feel we are on very solid ground, and what the hon. member is suggesting may not necessarily be so.

Some hon. Members: Oh, oh!

Mr. Speaker: Orders of the day.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I rise on a point of order. On the basis that the government will survive the vote after completion of the throne speech debate today, would the government House leader indicate what legislation the government will be putting forward to the House in the next three or four days?

Mr. Sharp: On the basis of the same confidence, may I indicate the business that we would like to be dealt with by the House in the next few days. Tomorrow, I hope that by unanimous consent we can agree to debate the establishment of the committee to investigate egg marketing. I have had discussions with the various House leaders and I do not think there will be objection to proceeding without

the ordinary notice. After that is disposed of, we will consider Bill C-14, the federal business development bank bill, followed by Bill C-9, the bill to amend the Export Development Act. On Monday we would like to call Bill C-22, the bill to amend the Canada Pension Plan. If that is disposed of before we reach supply on Wednesday, I have in mind the possibility of calling Bill C-15 and Bill C-4 to use up the intervening time.

Mr. Baldwin: On the same point of order, Mr. Speaker, I would inform the hon. gentleman now that, as usual, we are prepared to compensate for delays in government activity and give our consent to proceeding tomorrow with the debate on the establishment of the committee. That, of course, is without prejudice to our right to seek to improve it or to reject it if we think that should be our policy.

Mr. Cossitt: Mr. Speaker, I rise on a question of privilege. Actually, I tried to do that at the proper moment a while ago but was unable to gain recognition from the Chair at the time.

In reply to a question from the Leader of the Opposition, the Prime Minister directly criticized my right to question or to criticize appointments that he makes. I submit that it is the right and privilege of any member of this House to question or to criticize any appointment whatsoever made by the government or by the Prime Minister when the individual being appointed is being paid from public funds, even the appointment of Mr. Pitfield.

While the Prime Minister's remarks may be in keeping with his own attitude and wishes, they are not in keeping with the democratic process. I believe, therefore, I am entitled to regard my rights and privileges as a member of this House, and therefore indirectly the rights and privileges of all members of the House, as having been threatened by the Prime Minister, who is apparently seeking to arrogantly place himself beyond the bounds of criticism by elected representatives of the people.

Mr. Speaker: Order, please. While the hon. member may regard the remarks of any hon. member of the House as perhaps threatening his rights and privileges, may I remind him that ultimately the guardian of the rights and privileges of every member is not the Prime Minister or any other member of the House, but is in fact the Chair, who I hope will be able adequately to safeguard the rights of all hon. members.

Mr. Trudeau: Mr. Speaker, I rise on the same question of privilege. I just want to gently set the hon. member for Leeds at rest. If he reads my answer in *Hansard*, he will see I did not criticize his right to ask questions about appointments. I indicated that I doubted whether it would be good parliamentary practice for him to criticize movements in and out of cabinet. I do not think that is the right of opposition.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Nowlan: Mr. Speaker, I rise on a point of order that is supplementary to the one raised by the hon. member for Peace River and directed to the President of the Privy Council. Since we have received notice from the Prime Minister and the President of the Privy Council that there will be reform of the rules of this institution, has the government House leader any intention of so instructing the committee on procedure and organization which, ostensibly, will be dealing with some of these rules and reforms; and if so, when?

Mr. Sharp: Yes, Mr. Speaker, it is our intention in the next few days to try to get this committee organized. There are some estimates that should be referred to it. I agree with the hon. member and hope I will receive his co-operation in amending the rules of the House.

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SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Tuesday, October 15, consideration of the motion of Mr. Louis Duclos for an address to His Excellency the Administrator of the Government of Canada in reply to his speech at the opening of the session.

Miss Monique Bégin (Saint-Michel): Mr. Speaker, yesterday I was submitting my views on parliamentary reform as an essential means of dealing with the concrete, complex and numerous problems facing Canadians. More specifically, I was addressing myself to the working tool of an ordinary MP—the committee work. I said that a standing committee is, unfortunately, not a working group. I spoke of the lack of flexibility in its functioning.

In my view, and I believe this is the *raison d'être* of standing or special committees, a committee should be composed of a small number of members of all parties who are interested in a given field of government activity and specialize in that field, to alleviate the work load of the House at large. It is a delegation of mandate from all members through Mr. Speaker to a necessarily restricted number of colleagues for reasons of efficiency. Therefore, expertise, special interest, relative stability of membership and a sense of national purpose and responsibility are, or should be, essential characteristics of committees. This presupposes a restricted number of members, because it is simply not feasible for 20 or 30 members, or even 16 as a maximum, to do this. I understand that this last proposal was rejected two weeks ago by the official opposition, without explanation.

● (1510)

[*Translation*]

If my understanding is right, committees are to study budget estimates, legislative measures or current controversial problems.

I still do not understand why no planning of priorities stemming first from members on the committee, and based on the priorities submitted by the government and on those submitted by members on the committee in their capacity as "specialized" members of the House, is being developed and adopted.

I regret to say, Madam Speaker, that our present debates are something worse than shooting clay pigeons in complete darkness.

Some hon. Members: Oh, oh!

Miss Bégin: That is what I have been witnessing for a year and a half, and this Parliament is making a pretty bad start again. Procedures regulating that pigeon shooting appear precarious, mysterious and, earnestly speaking, still too encumbered by procedures and regulations of a House whose members are 15 times as numerous as a committee.

I understand the present credibility of committees is practically nil, and this is illustrated by two other facts: the fact that a committee is unable to initiate a task without a mandate from the Speaker, and the fact that reports from committees that are tabled in the House are not being used. As a newcomer, who still has a lot to learn, I am not convinced but I believe we might wonder whether a simple and quick mechanism should not be designed to enable a committee to ask for and obtain from the House the power to initiate complementary tasks deemed essential.

I believe a good report from a committee should matter once it has been tabled. Besides, the credibility of a committee and the seriousness of its activities should help shorten the duration of speeches by members of the House, as I suggested yesterday, on the third maybe even on the second reading of any bill.

Madam Speaker, I would also like to suggest that the third aspect of committee work—investigations—should be referred only to special committees or special joint committees of the Senate and this House with specific terms of references of the task force or project-oriented types. I typify here the investigation by the need to call witnesses other than ministers and their officials, as well as those responsible for our various government or parapublic agencies, to avoid standing committees getting lost in royal commissions of enquiry, and I think I know what I am talking about.

Thus two special terms of references given to the Standing Committee on Broadcasting, Films and Assistance to the Arts in the first session of the last Parliament—needless to say that I am voicing here an entirely personal view—resulted in an imbroglio, and led us to hear respectively 32 and 21 witnesses on top of our regular work. Regular members on the standing committee could have been dispatched to a special committee to examine those two particular terms of references, eventually with other colleagues from the House of Commons.

Those are, Madam Speaker, a few of my thoughts that come to mind in face of the partisanship and the malfunctioning of committees. As a full time member of Parliament, that is the best instrument of work available to me, I would specify the instrument of work that the public can see, because I also consider the caucus as an instrument of work particularly valuable as a source of influence for all members on the government side.

So I consider the time I must spend in committee as important. I want those reforms as do a great number of my colleagues for that matter. The only thing missing is a consensus to avoid partisanship because I consider that the number of other platforms is quite adequate to accept during the time spent in committee to put the lid on or simply put in the freezer partisan passions, contentions for the leadership of certain parties I shall not name, and pre-electoral campaigns on everyone's part, including us.

Last night and again this morning I was told that I was a radical, or an activist. I should have liked to close my speech by quoting two paragraphs written by Alexis de Tocqueville who wrote a book, somewhat the way an entomologist would have done, on democracy in America. He describes our aptitudes as slightly too parochial, and our verbal inflation. Tocqueville wrote those words, which even now could prove embarrassingly timely, in 1835.

Mr. Roch La Salle (Joliette): Madam Speaker, like all those who spoke before me, I should like to offer my most sincere congratulations to you, to the new Speaker (Mr. Jerome) as well as to the movers (Messrs. Lee and Duclos) of the Address in reply to the Speech from the Throne. I should also like to congratulate the new hon. members and wish them every success.

Madam Speaker, last spring the government was defeated on the budget. Since then, there has been a general election the results of which we are all aware.

● (1520)

This government has indeed a majority and the public impatiently expects some measures likely to restore a most precarious situation.

As a member of the opposition, I shall demand a great deal from this government in the interest, of course, not only of my constituents but also in the interest of every citizen of Canada.

I shall not explain at length why this government has been defeated, that belongs to the past, and I want to say that given the lack of appropriate measures that would have improved the condition of all Canadians, in view of this state of affairs, it seems that the government's defeat last Spring was warranted. In any event, the people have decided by a vast majority to give a new mandate to this government and I intend to respect the people's wishes, and since the absolute majority of my constituents have trusted me I would like to than them in passing, in a very special manner. And were it for them alone, I have a duty to fill in this Chamber and I fully intend to do so.

Is my duty as a member in the opposition simply to fight the government rightly or not, by mere tradition? Certainly not. Many members must think so. But to those who hold or who are tempted to hold that opinion, I dare say they are mistaken and that people expect from all of us much more objectivity that we have displayed up to now. And this is true for members on both sides of the House.

I think it is about time we accept to work positively and discharge seriously our responsibilities. I will describe some of these later on.

Madam Speaker, I have listened to a number of very interesting speeches. I noted the leader of my party demanded and will demand intensive action for the Canadians. I support him fully. We all know full well that despite the Speech from the Throne, there seems to be a

blatant lack of specific measures to cope with a problem hurting all Canada, inflation. That concerns not only members of the House but also the great majority of Canadians.

I also have in mind a few points raised particularly by the right hon. Prime Minister (Mr. Trudeau), particularly on bilingualism which is a question that concerns me in a very special way. He discussed the importance of its implementation in the civil service which I strongly support. He hopes that this movement will soon be irreversible on a short-term basis in the civil service. I think that the right hon. Prime Minister's wish is shared by the head of my party and also by many members on this side of the House. Personally, I hope that this wish will come true and I think this will be a great justice rendered to those who are French-speaking and who have had complaints for a long time.

I would also like to discuss certain opinions that were given in this House concerning Bill 22. I would like to reassure those who are worried and tell them not to be too concerned with this bill that the Quebec government has recently adopted. I would also like to say that I will always do everything in my power to support the use of the French language in the province of Quebec. In my opinion, no hon. member can blame us on this point because I think that we can say that, as Quebecers, we have always respected the wishes of the minority. Anyway, we accept the situation of the majority in this country. And in the province of Quebec there are people who strongly wish to use the French language. It is a need. Besides, the Prime Minister has made his opinion known and I support him on this. Bill 22 does not seem to satisfy everyone in the province of Quebec. A certain group finds that the bill does not go far enough, another finds that it goes too far. In any event, I believe that we cannot condemn the majority of Quebecers for favoring the use of French. As Quebecers, we must demand, as the public service is doing, that the French language be used for the large proportion of French-speaking people in the country.

We could perhaps also ask ourselves some questions. I know that the government of Quebec has long requested that the federal government grant it additional powers for selecting immigrants. If the federal government had agreed, perhaps the government of Quebec would not have had to pass a law which seems very hard for a certain group even though it does not bother me, Madam Speaker. Perhaps the federal government should have replied by giving concrete examples to such requests from the Quebec government, which would have allowed Quebec to direct immigrants towards the French language immediately on their arrival in Quebec.

I also noted an important aspect of the speech of the Prime Minister, when he talked about amendments to our procedure and to the rules of this House and I have heard other members underline this fact. We must recognize that the present rules allow us to do stupid things, but they do not force us to do so.

We also know that throughout the years, we have used these rules as we liked, too often to gain electoral advantages. I therefore hope that I shall not shock anyone by asking this question. I believe that we have abused these rules. In my opinion, the Prime Minister has made a suggestion that is interesting but which could be improved, and in this way, we could also better ourselves.

Madam Speaker, regardless of the changes that we can make, if each member wants to use the rules in his own way, this House can always be prevented from being as effective as we would wish.

We will do something worth while first by changing the atmosphere in the House. But partisanship unfortunately exists too often. I do not want to blame anybody, because I could perhaps accuse everybody including myself of showing at times that tendency to agree or disagree with a measure according as it is electorally profitable or not. But I believe the people are greatly worried about the behaviour of each member in this House. That could be greatly improved before we consider changing the standing orders. That would improve tremendously the efficiency of this House and would arouse among Canadians much greater confidence than they now have towards parliament members or parliament itself.

That is regrettable but such is the system, Madam Speaker, and I often deplored it. We have a party system of course, and it is always regrettable to feel that the government is introducing measures which too often are unfortunately geared to electoral profitability. It is also a matter of regret to feel that the opposition tends as well to stand in opposition for election purposes. And such has been the case since long before 1968 and the government members who blame the opposition for adopting an inflexible stance did the same when the roles were reversed. We could have seen the same thing if the government had changed.

I believe we should sincerely consider our stand as parliament members, our responsibilities. What are our responsibilities as government members or as opposition members? As opposition members, I believe it is our responsibility to stimulate the government, to invite it, to encourage it, to force it to introduce measures taking into account the welfare of the population as a whole. That is the duty of a member of the opposition.

● (1530)

I want to emphasize them, Madam Speaker, because I have often had the opportunity of talking about them outside the House. As to the possible procedural changes, I suggest we must be willing to change ourselves first. We must confess that we have often failed—and I state this objectively—in respect of the aspirations of the Canadian people who gave us their confidence. It is therefore our duty to demand enormously from the government and to support the best pieces of legislation which are introduced. We must force the government into accelerating things, instead of looking for all sorts of ways to deprive it of an image which may be flattering during an election campaign.

I prefer to say to my constituents that I have seconded some measures, whether they came from the opposition or from the government, after being assured of their value, rather than saying that being in the opposition I had to vote against the government. I find such an attitude negative and I regret that because of a system, of an institution, of a tradition or a custom, we often find embarrass-

ing the position we have to take. The system commits our conscience and I do not think this can be overstated.

On both sides of the House there has been some position statements which were embarrassing for the government members as well as for the opposition. I have had great problems in this area. Then as I still have a desire to serve society and the community that place confidence in me I wish to say, as this session begins, that I intend to maintain my freedom of speech keeping in mind the interest of society. Who could blame me for it, Madam Speaker? And I know that it is the desire of every member of Parliament, but because of the system, of the circumstances and a few other reasons, we often find it embarrassing.

We have the obligation to fulfill our commitments. As members of Parliament, and I think of the new members, we also have some aims. Those new members have the intention and the willingness to cooperate in the structuration of a more valuable society. I understand then. There are also the election promises, the commitments made during an election campaign. I, for one, was not afraid to say in my constituency that, if we had to form a government, as it could have happened, we should not hesitate to guarantee milk producers the $10.13 recommended since January 1, 1974. Furthermore, we promised to give the old age security pension gradually, at the age of 60.

If we had formed the government, through an agreement reached by the majority in caucus, I could have been told: You know, since we are in power, it is not so urgent; it would be better to introduce these measures before another election. As several commitments of the government will be carried out only before a new election, I would never have accepted a delay in keeping our commitments, in adopting measures which are so urgent. This is why it is so important to remind hon. members of their prime responsibility in this House, a responsibility which is mine as well and I would like it to be shared by all the members of the government who should soon be accountable for the promises they made during the last election campaign.

Unfortunately and rudely in certain cases, dishonesty is publicly shown every day, because it is customary and usual to believe that only a few individuals are involved and in reference to the government, that the cabinet has the jurisdiction and knows the truth and for some reasons that we all know, the members are compelled to give in because it is always dangerous and unfortunate to experience a possible setback when one does not comply with a decision taken by the cabinet.

We have in our party as in others some discussions which following a majority vote must define the policy of our political party in this House. However, this does not prevent us, and you will admit it, Madam Speaker, from upholding regional interests and fulfiling some personal undertakings as, I believe, many members have taken during the election campaign.

Convinced that the best evidence is examples, I could ask why the government refrains from giving a $500 grant to any new owner. The promise was made, I believe, on June 22. I will not ask the Prime Minister to make it retroactive to June 22, but I sincerely think that he was canvassing for votes when he made that promise. A number of my constituents spoke to me about it. I did not hesitate to say that I would support such a measure, but several were tempted to support the present government because for them a $500 grant for the construction of a new house was quite attractive.

Why does this government not undertake immediately at least to make it retroactive to the 8th of July? The Prime Minister was saying then that if he formed the government he would apply that measure. But when? In a year, six months? There are indeed thousands of new owners who will be deprived and fail to receive that subsidy, and perhaps the majority of them voted for the government. That might be unvoluntary dishonesty, but I do not think so. The Prime Minister is too intelligent, for that, Madam Speaker.

However, I blame the government for not responding. I think the majority of Liberal members would be quiet happy to give a subsidy of $500, retroactive to July 8 last, to those new owners. That is what I call equity but we do not have that.

Why did this government not hear the government of Quebec on several points? With indeed a sizeable Quebec representation why in the field of immigration, for example, did the Quebec minister not lend an attentive ear to the federal government? Why are we having so many difficulties in the field of communication in Quebec with a team including so many Quebecers? I think the hon. member for Vaudreuil (Mr. Herbert) openly supported the claim of $360 million made by Mr. Choquette with respect to protective services. How is it he was the only one to do so?

I do not hesitate to support the request made by Mr. Choquette in that respect. I know many Quebecers are tempted to support the request made by Mr. Choquette and the Quebec government. But because of a system and to respect a party line that province which gave such serious support to this government is betrayed everyday. I regret that attitude, Madam Speaker. I will shun today from blaming this government for its attitude but during this session I will come back on those questions.

So a formula should be found which would allow every member to vindicate in full freedom the interests of those who elected him, and to define more clearly perhaps the vote of confidence given to the government. Would it be sacrilegious, Madam Speaker, for the hon. members to be free to vote for one piece of legislation and to support another one which does not meet the needs of a region like mine or like one of another hon. member?

If such legislation is defeated in the House, why not require a confidence vote immediately? It is possible that an hon. member, even on the government side, is against a measure brought in by his government. But this does not mean that the hon. member has lost his party's or his government's confidence.

● (1540)

Because of completely regional commitments and interests, we may even be forced to vote against a bill. But this does not mean that we condemn our own party or that this party has lost confidence in its government. If we could define this fact by a formula, that others better qualified than myself could devise, we could perhaps give freedom of speech to the members of this House. Who does not

want to have freedom of speech? We all wish it, and we have problems with the present system. Otherwise, we are forced to take part in so-called political games and, Madam Speaker, the public has had enough of this.

I have not accepted this, Madam Speaker, and neither have certain other members. We are often embarrassed by a system which has remained unchanged, by traditions that we do not want to lose, by what has become a daily practice. This is unfortunate because we are losing the confidence of the population, who wonders why Parliament is not more effective and loses so much time discussing certain pieces of legislation. It is not the rules that should be changed, but the attitudes of men and women. I hope that this session will see a much more objective Parliament that will stop fooling the population of Canada by accepting that this is our system and that we must keep it just as it is.

I believe that whatever legislation is brought forward in this House, it will be effective only if the attitudes and the mentality of those who make up this Parliament truly change. By accepting our well-defined roles, in other words, the freedom that we need, we shall stop leaving it to our poor people who have been waiting for so long and often die of suffering because the government or Parliament behaved too often more like politicians than businessmen.

Madam Speaker, if we take seriously our legislative duties and treat individuals with the respect they deserve, we shall behave quite differently and pass legislation which will benefit our people for many years to come. We must examine the possibility of granting the old age security pension at an earlier age. I am aware that, during the past election campaign, the Prime Minister did not reject the possibility of granting the old age security pension at age 63 or 64, whether on a conditional basis or not. We can easily imagine the happy results that such a policy would yield. It would then be less urgent to put such a measure into effect. It is unfortunate, Madam Speaker, but we must give a well-earned rest to those people and find work for the young who are disheartened by unemployment.

Furthermore, I wish to request from the Minister of National Health and Welfare special and additional funds for the New Horizons Program. This is a marvelous experiment. I had a chance to meet with many groups of persons asking for grants, and rightly so. I do not think there is any better social measure than that announced by the government a few years ago, but there is a problem, that is a lack of funds. I wonder if it will be possible this year to double the funds to meet the needs of all those senior citizens' clubs requesting a small grant to acquire the means and facilities they need so that elderly people may meet and enjoy life for a long time.

So, Madam Speaker, I think the minister of National Health and Welfare (Mr. Lalonde) should seriously consider the feasibility of granting additional funds.

I would like also to deal with the difficult situation in which the farmers are, and which is due to the lack of proper action from the government over the last few years. Of course, we will have again the opportunity to discuss those problems on many occasions. But I wonder, Madam Speaker, if the hon. minister presently in the House will do something. I think he is aware of the agricultural problems and that he is not lacking good will in respect of the farming group. But I dare ask for his particular attention, keeping in mind the current state of stagnation in which farming is in Canada, and this in every area. I wonder to what extent there are some measures with a view to not only upholding but also upgrading farming. Lacking funds is of course a major problem, but to what extent should we consider the importance of stabilizing again that sector of activity which produces so many things across the country?

And if we do not tackle shortly the job of providing farmers with sufficient income, we shall repent dearly. I believe city dwellers should understand better than they did up to now how important adequate revenues are to the farmers. I therefore ask the minister to increase at the earliest possible date subsidies to milk producers, and to understand the importance of indexing prices to production costs. It may not be the best thing long-term wise, I agree, but we can no longer delay giving these producers adequate returns if we are to prove that we care about agriculture's problems. In so doing, we will be meeting the interests of all Canadian consumers.

Madam Speaker, I ask in conclusion that all members give some thought not only to the proposed changes in the standing orders, but to changing their own attitudes. How can we make government much more efficient, interesting and productive for society? With a little self-restraint, leaving partisanship to country hustings in areas where no problems exist but which have a lot of room for party bickering. We must first and above all care for the interests of the people who have long been awaiting action from their elected representatives. In this way we would much more deservedly carry on from our predecessors.

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Madam Speaker, I must congratulate you on presiding over our deliberations this afternoon with such charm and competence. I also wish to mention the election of our new Speaker, the hon. member for Sudbury (Mr. Jerome). We have no doubt about his ability to make an outstanding contribution to the work of the House of Commons. His intimate knowledge of the House itself and of its committees system will stand him in good stead in the work of guiding the chamber. The mover and the seconder of the address in reply to the Speech from the Throne deserve our gratitude for reminding us once again that good preparation is still one of the essential elements of successful speechmaking in the House of Commons.

The President of the Privy Council (Mr. Sharp), who is at once my successor and my predecessor, set an excellent tone in his speech last Friday when asking us to consider ways and means of making the House of Commons more responsive to the growing demands on its time and energies. I wish him well in his exacting new responsibilities as I pay tribute to his many great achievements in the portfolio which I have the honour presently to hold.

I cannot look back upon the twenty-ninth parliament without a touch of nostalgia. A majority government is sensible, but a minority parliament is undoubtedly livelier. In fact, the past two years have been among the most interesting and action-filled in Canada's political history. The success of the Prime Minister (Mr. Trudeau) in

making the twenty-ninth parliament, despite the minority situation, among Canada's most productive, and in leading this party to a commanding position in the House of Commons, is certainly a marvellous indication of his mastery of the art of politics and must be included among the peaks of Canada's parliamentary and political history.

Some hon. Members: Hear, hear!

Mr. MacEachen: I regarded my work as leader of the House in the twenty-ninth parliament as very important, bringing me, as it did, in close association with members in all quarters of the House. Many people thought that moving from the job I had to my present job was an elevation. I thought the work I was doing as the government leader of the House of Commons was useful and important, and probably as useful and important as any work I have done in the past or will do in the future.

● (1550)

Some hon. Members: Hear, hear!

Mr. MacEachen: However, I am not now in that role and I want to say a few words about my new responsibilities. Hon. members may know that recently I had the opportunity of attending the General Assembly of the United Nations; a reappearance, I might add, after an interval of almost 20 years. That opportunity gave me a platform from which I could express the Canadian point of view on a number of issues. It also gave me an opportunity to hold discussions with a considerable number of foreign ministers who were attending the General Assembly. I want to deal briefly with only two of these meetings, one with the Soviet foreign minister and the other with the Indian foreign minister.

My discussion with Mr. Gromyko was held in a friendly and informal atmosphere. We covered a number of multilateral and bilateral subjects. In particular, we had a most encouraging exchange of views on the question of family reunification. We agreed that the situation had improved in the past few years, and Mr. Gromyko felt that the future would bring further improvement. Indeed, his positive approach prompts me to think that a more flexible attitude on the departure of people from the Soviet Union and on the movement of people in general may be forthcoming. It would be good if this attitude were to be adopted by certain other east European countries.

My conversation with the Indian foreign minister was, not surprisingly, devoted to the proliferation of nuclear explosive devices. I deplored the Indian nuclear explosion and Mr. Singh expressed its peaceful purpose. I pointed out that we saw no distinction between peaceful and non-peaceful nuclear explosions. Mr. Singh said that India had no intention of developing nuclear weapons. The exchange did not narrow our differences, but I hope I left in the mind of the Indian foreign minister a realization of the deep concern of the Canadian people over the consequences of that explosion. I urged that India give immediate consideration to ways by which the problem for the international community could be resolved.

My brief period at the United Nations, in addition to a number of these talks, certainly brought home to me quite forcefully the nature of the global problems facing us all today and which the United Nations is presently tackling. One need only mention three areas of profound concern in order to underline the relevance of the United Nations and the work of its members to the present concerns of the world. The three areas, of course, are the law of the sea, the world population, and world food problems.

Let me say a word about the law of the sea conference which I attended in August with my colleagues, the Minister of Regional Economic Expansion (Mr. Jamieson) and the Minister of State (Fisheries) (Mr. LeBlanc). Our purpose in going there was to see for ourselves what had been achieved on the many issues of vital interest to Canada that were being negotiated at the conference. I found, and I feel my colleagues did also, that great progress had been made and that the conference had begun to reshape the law of the sea on the basis of radical new concepts, many of which have been pioneered by Canada.

For nearly 300 years, the law of the sea has been founded on the simplistic concept of total freedom of the high seas, not a freedom that goes hand in hand with responsibility as in any civilized system of law but an unfettered freedom based on laissez faire. I believe the Caracas conference demonstrated to all the world, in unmistakable terms, that the days of this laissez faire law of the sea are over. The negotiations made clear that the new law of the sea will be founded on three new, radical concepts strongly supported by Canada and by its delegation and, I believe, by all parties in the House of Commons. The first such concept negotiated by Canada and Iceland, and endorsed unanimously at the 1972 Stockholm conference on the environment, is the need to manage ocean space and the particular interest of the coastal state in such management.

The second such concept, also pioneered by Canada, is that of the economic zone, extending coastal state jurisdiction out to 200 miles for the purpose of conservation of fisheries, preservation of the marine environment and ownership of the resources of the sea bed. The third such concept, also strongly supported by Canada, is that of reserving the sea bed beyond national jurisdiction for the common heritage of mankind and for purely peaceful purposes.

At the Caracas conference we saw, for the first time, evidence of the willingness not only of smaller powers but of the major nations of the world to accept these new doctrines. In more specific terms, the Caracas conference revealed, first, a widespread willingness to accept a 12-mile territorial sea, already established by Canada, although further difficult negotiations will be required concerning rights of passage through international straits; second, the majority acceptance of the concept of the economic zone; and third, the acceptance of coastal state ownership and control of the continental shelf.

Not surprisingly, there remained differences of opinion as to the precise nature and extent of these new rights, but it is clear at least that under the 200-mile economic zone concept the overwhelming majority of states support the principles of coastal state exclusive management and preferential fishing rights of coastal stocks, guaranteeing to Canada's fishermen, for example, that they will be able to keep all they can catch. I must say that the highly migratory and anadromous species remain sources of great dif-

ficulty. As we know, relatively few countries produce salmon and we have not yet obtained majority support for a high seas ban on salmon. We are, however, engaged in very vigorous negotiations on this question and will be pursuing them even between sessions of the conference.

Differences of view remain, also, concerning the nature and extent of coastal state rights to preserve the marine environment and control scientific research; but at Caracas, for the first time, there were substantive negotiations on these questions which showed real promise of success. Similarly, Canada has not yet obtained majority acceptance of coastal sovereign rights over the sea bed and the 200 miles to the edge of the continental margin, but a large number of countries have supported our position and this support was extended at Caracas.

● (1600)

Canada has for many years exercised exclusive sovereign rights over the resources of its entire continental shelf on the basis of the 1958 convention on the continental shelf, of decisions of the international court and of the practice of states, and we do not intend to relinquish these rights. In sum, we have come a long way since those days when, just a few years ago, we began to attempt to alter the law of the sea. The success already achieved makes it evident that this is no time to be taking further unilateral action between two rounds of negotiations. The possibility of such action cannot be ruled out should the law of the sea conference fail, but it has every prospect of success. I believe we, as Canadians, can take some satisfaction from the leading role Canada has played and is continuing to play in this field.

As hon. members know, the conference will resume in the spring. At that time it is firmly hoped that the actual treaty drafting will begin and that perhaps later in the year of Caracas it will be possible to have a signing ceremony. There is one conclusion which ought to strike home among the fishermen of Canada; that is the overwhelming majority support for a regime of fisheries management including at least 200 miles. That certainly is a very major gain from the Canadian point of view.

Now may I say a word about another global problem with reference to the world population conference. I did not have an opportunity to attend this conference which was held at Bucharest last August. Such a conference, until recent times, probably would have been inconceivable. But nations, driven by the inexorable pressure of population on the world's resources, came together in the world population conference in an effort to define for the first time in history certain common principles and objectives to guide them in the population field.

The Canadian government decided as early as May, 1972, when it approved the Canadian position for the Stockholm conference on the human environment, to take part in the world population conference. Lengthy preparations for Canadian participation were made. Public hearings were held in six centres across the country. Consultations with provincial authorities took place. Account was taken of opinion expressed at numerous public seminars. From all this certain fundamental considerations emerged as guidance for the Canadian delegation at the Bucharest conference. I believe the validity of these considerations was subsequently confirmed by the proceedings and the results of the conference itself.

The first of these considerations was that in an increasingly interdependent world the population problem was a global one; it just could not be examined in isolation from such global issues as food shortages, the widening gap between rich and poor, the equitable and efficient utilization of resources and energy, and the intensified pressures on a finite environment. This conference must be seen in the context of other conferences, the conference on the human environment especially, the United Nations General Assembly session on resources and development, the law of the sea conference and the forthcoming world food conference. Bucharest was not a substitute for these conferences. It was incumbent upon the world population conference to ensure that the concerns of these other conferences were taken into account and reflected in its conclusions.

The second consideration was that the population problem is not only quantitative but is qualitative. As my colleague, the Minister of the Environment (Mrs. Sauvé), who led the Canadian delegation, said, "Our subject is people; not only their global members but more importantly the quality of their lives." I would say, also, the quality of their attitudes. This double dimension of the problem was reflected in the agenda, which provided for discussion not only on population growth and trends but also on the organic relationships between population on the one hand and economic development, resources and the environment, the family and human rights, on the other.

Quantitatively the magnitude of the population problem can be illustrated by a few striking figures. It is estimated that the population of the world has increased, in absolute numbers, from 2½ billion in 1950 to nearly 4 billion today. It is expected to reach at least 6½ billion by the year 2000. When this problem is viewed primarily in this cold and stark perspective, the establishment of targets and growth rates to be attained over a fixed period of time by compulsive family planning and birth control may, rationally, appear to be the only real solution, especially in the overpopulated developing countries.

Qualitatively, however, the problem is affected by a range of complex factors. The majority of conference participants emphasized that reproduction behaviour and fertility patterns are conditioned by traditions, religious beliefs, cultural and moral values, and economic and social development in the domestic and international evolution. As is evident from the general statement to the conference by the Minister of the Environment, and from other Canadian interventions, the Canadian delegation was fully conscious of these factors and their place in the world population plan of action.

The third consideration underlying the Canadian position was the diversity of the population problems confronting the developed and developing countries and the various regions and continents of the world. Almost every delegation at Bucharest described at length their particular geography, demography and economic circumstances. The implication was that, while it might be possible to devise broad principles, it could be expected they could only be applied with the consent and the understanding of the sovereign nations themselves. I believe that motivated

by these considerations the Canadian delegation was able to play an active, co-operative and useful role in all bodies of the conference. The delegation helped to ensure that the world population plan of action contained as balanced and realistic a relationship as possible between population and economic and social development.

While the Canadian program of international development assistance in population control has been channelled until now almost exclusively through multilateral agencies, Canada declared at Bucharest its willingness to discuss with interested parties the possibility of increased action through bilateral channels. The Canadian delegation provided leadership in obtaining recognition of the need to consider natural resources and the environment in the formulation of population policies and in giving full attention to the proper utilization of resources and the minimization of waste.

The world population plan of action, endorsed by consensus at the conference, reflects broad agreement of the international community on population issues. Only the Holy See, for doctrinal reasons, dissociated itself from the world population plan of action. Some observers have been critical of the outcome. Some, reflecting a western approach, expected a general international recognition of the problem of overpopulation. Others espoused the thesis of developing countries, that their population growth rates can only be brought into line with those of developed countries as a result of rapid economic and social development involving the transfer of real resources from rich to poor countries.

● (1610)

The most ardent defenders of both schools of thought seemed to share a high degree of conviction, dogmatism, anxiety and impatience which spoke of their deep sincerity but which tended to impair their political credibility. The fact is that the world population plan of action, imperfect as it is, represents a real achievement, an international consensus never achieved before in a highly sensitive field. It will be a useful charter upon which future action may be based on international, regional and national levels.

May I conclude by referring to another global issue that will be dealt with early in November at the world food conference in Rome. This conference is also held under the auspices of the United Nations. Like the population problem, the world food problem is massive and is not susceptible of one solution. There is, indeed, no single food problem: it arises from a complex interaction between human beings and resources in vastly differing societies. Many developing countries now face immediate problems of severe food shortages, high prices for food and other imports, and of rapidly vanishing foreign exchange reserves.

It is understandable that these countries will press at the conference for additional food aid, and that additional food aid will be necessary. However, it is clear to the government of Canada that the long-term problem cannot be met exclusively on these terms. Developing countries will have to devote much more of their own resources to food production and agricultural production. Undoubtedly, it will involve, for developing countries, upsetting long standing and and cherished goals related to industrialization and other major changes in their social and economic development schemes. In essence, developing countries will probably need to accord agricultural development the greatest priority.

This is one of the main issues before the conference, and the major objective will be to devise means of helping developing countries improve their production as a joint international endeavour. To this end, Canada must be prepared to give greater emphasis in its bilateral aid programs to agricultural development in developing countries. As the Minister of Agriculture (Mr. Whelan) knows, we possess great technical expertise in this field which can be marshalled for this international purpose.

I mention one other point in connection with the world food conference because our position has not been finally clarified by the government. It is this: a number of proposals have been advanced for the establishment of funds and other institutional arrangements to assist in the development of agricultural sectors of developing countries. We would want to make sure that the institutions for channelling aid are so constituted as to make the best use of all funds available. If a proposal of this kind were to secure acceptance among donors at the conference, I am sure that Canadians would wish to take an active part in any such undertaking.

At the FAO conference in November of last year, certain proposals were made with respect to the co-ordinated stockholding of grain. The conference was attended by my colleague. If this proposal is raised at the world food conference, naturally Canada will want to give it support and urge its broadest possible acceptance. I have touched on very few of the problems that will be raised at the world food conference, but I hope the broad terms in which I have outlined them are sufficient to point up the great importance of this conference, for food means survival, and in this increasingly interdependent world it means the survival of us all.

May I say in conclusion that in all these forums—the law of the sea conference, the world population conference, and the world food conference—global problems affecting the welfare of all human beings are being discussed and grappled with. There is an interrelationship between theme and subject matter, and all are part of our effort to work toward global management of the earth's physical and human resources. Canada, as a member of the international community, will attempt to play a constructive role in grappling with these global problems.

Mr. Stanfield: Mr. Speaker, would the minister permit a question? The minister mentioned that he conferred with the representative of India and the United Nations, and mentioned one subject. Did they discuss the food shortage in India, and did the representative of India make any proposal to the minister with regard to the necessity for food, the amount involved or any specific proposal so far as Canada is concerned?

Mr. MacEachen: I think I can reply directly and frankly to the Leader of the Opposition (Mr. Stanfield) on this point. Our discussion lasted about 45 minutes and it was confined exclusively to the question of the nuclear explosion—the Canadian attitude and the Indian attitude. The

question of food aid was not raised at that meeting, to my recollection.

Mr. Friesen: Mr. Speaker, the minister referred at length to the law of the sea conference and said that the government had strongly supported such concepts as economic zones, and so forth. People in my riding are greatly affected by this conference. I would ask the minister to elaborate on what he means by "strongly supported". What kind of understanding was reached at the conference which would indicate strong support for protecting salmon and other stocks on the west coast from depletion? Fishermen in my riding and also people on the west coast are concerned about this question.

The Acting Speaker (Mr. Penner): Order, please. I appreciate the hon. member's wish to ask questions of the minister. However, the 30-minute rule does apply. Although questions may be put to the minister and, of course, he may respond, it would have to be with the unanimous consent of the House, because the minister's time would in fact be extended. Is it agreed?

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Speaker, I must confess that I was distracted and as a result did not get the full impact of the question.

Mr. Friesen: I was referring to the minister's statement that we had strongly supported the concept of economic zones. I should like, on behalf of the people in my riding and fishermen on the west coast, to have an elaboration of what he means by "strong support." What kind of activities did they undertake at the conference which would ensure the preservation of the salmon stock and other fisheries?

Mr. MacEachen: In a sense, these are two related but separate issues. The first is the question of the economic zone, which involves the management of fisheries within the 200-mile area. Canada has not only supported that concept in its speeches and the activities of the delegation, but it is also continuing to press for management over the sea bed edge of the continental margin because in certain parts of Canada, especially on the Atlantic coast, the continental margin extends beyond the 200-mile limit. While there is overwhelming support for the 200-mile limit, there is still a great deal to be done by the Canadian delegation in gaining support for the additional parts. It might not apply as much to the west coast as it does to the east coast.

● (1620)

I think the work of the Canadian delegation in connection with salmon has been nothing short of—I was going to use the word "spectacular", but perhaps it is better to say it has been very impressive. I do not know if my hon. friend has seen the portfolio prepared by the Department of the Environment, which has been widely circulated, indicating in a very imaginative way the role and life cycle of the salmon and the necessity of undertaking a ban on its high seas fishing, and of granting to the state of origin greater rights and control over the whole life cycle of the salmon. I believe the efforts of the delegation have been real and solid, and we shall continue our efforts to obtain acceptance of this idea. As I have said, not many states have salmon, and they do not yet seem to be fully convinced of the Canadian position.

Mr. P. B. Rynard (Simcoe North): First, I should like to congratulate Mr. Speaker upon his appointment. He lives just a couple of ridings to the north of me, so I am well aware of the splendid qualities he has exhibited over the years. I was intrigued by the reference of the Secretary of State for External Affairs (Mr. MacEachen) to Madam Speaker. How he, a bachelor, could have resisted all those charms over the years is more than I can understand, when it is clear that he recognizes them.

Some hon. Members: Hear, hear!

Mr. Rynard: Mr. Speaker, the only statement that really stood out in the Speech from the Throne was the admission that there was a bad economic situation throughout the world and that inflation was a worldwide problem. In my opinion, this ignored the fact that Canada is unique among nations in that it is self-sufficient in many things. Canada has its own food, it has energy, it has lumber, it has minerals, it has coal—and a great deal could have been done to control this country's inflation.

Having said that, Mr. Speaker, we must face the fact that we are dependent upon exports. In looking over the latest statistics, I find that 50 per cent of what we grow and develop must be sold in world markets, sometimes competitively. It is interesting to note that we are losing those markets. Quantity sales are down, while dollar sales are up.

The Trudeau government promised to cut its spending but they were vague promises; there was nothing specific in them. In the same breath, the government said it was going to help home buyers. But, Mr. Speaker, there is no money with which to build houses, so how are home buyers to be helped? Housing starts are down by 60,000 from a year ago. That $500 election promise for people buying new homes has already been burned up by inflation. Housing starts are down; there is no capital available, so the Minister of State for Urban Affairs (Mr. Danson) is suggesting that we bring in foreign capital. He also says that if we do not control urban sprawl in the next ten years, half the population of Canada will reside in our four main cities. The increases proposed in social welfare programs are all good, Mr. Speaker, but there is plenty of room for a rip-off. Apparently one man was paid $11,000 on welfare and took off for a stay in Mexico. That raises the question of the accounting system. How efficient is it? This is what bothers people.

The Speech from the Throne also promised help for small businesses, and goodness knows it is needed when they are faced with the taxes this government demands. There was also talk of $500 million to be spent on transportation—railways, and so forth. There was, of course, a promise made every day or every other day, just whenever it would hit the headlines. The Minister of Transport (Mr. Marchand) now says this will not work, that the government cannot do it but the railways must do it. Is the government off the hook now? Just promises, promises, promises that cannot be kept, Mr. Speaker.

On top of all this, the government threatens businesses and blames them for inflation. It threatens to introduce a bill to control profits. But, Mr. Speaker, where is the evidence of big profits? People who invest in stocks do not get much out of their dividends. A company that pays dividends, pays 50 per cent corporation tax, and the shareholder is taxed on what he receives, so most of the profit goes back to the government in taxes. The government accuses business of profiteering, but where are the profits, and why are stocks at an all-time low? Probably the best test is the Canada Development Corporation which is owned by the government. How many millions of dollars has it lost for the Canadian taxpayer? I should like to know, Mr. Speaker. It seems to me that the government wants to find whipping-boys and never includes its own activities.

Perhaps the government will get the message from the Shah of Iran, who said the affluent industrial countries will have to spend less, work more, save more and be sure the people are not cheating when they are working. The shah wondered how we could pay more for people not to work than for those who do work. It is interesting to note that the President of the United States, Mr. Ford, felt that action to deal with inflation was of paramount importance. He stated that inflation could lick the United States more cruelly than any foreign power. He imposed a 5 per cent surtax on corporations and middle and upper income Americans with an income of $7,000 for single and $15,000 for married persons. He also moved at stimulating housing starts in a period of slump. What about Canada's slump of 60,000 housing starts, Mr. Speaker—and the government is not doing anything about it?

During the election campaign, the Leader of the Opposition (Mr. Stanfield) said that if he formed the government, within three months he would call together the provincial premiers, leaders in business and labour, and consumers and try to arrive at a consensus upon ways to control inflation. Yet here we are, on October 16, Mr. Speaker, and nothing has been done by this government to take such steps. President Ford suggested some things that could be done. Public works of special types could be undertaken when unemployment exceeds 6 per cent. Measures could be taken to reduce oil imports and to convert oil-burning plants to coal-burning and nuclear energy. Agricultural controls could be reduced. He also suggested it would be worth investigating ways of increasing automobile gas mileage, perhaps by as much as 40 per cent.

Mr. Speaker, to date Canada has done nothing regarding inflation, home grown or external. Surely a start could have been made by now. Was there any consultation with the Unites States? Not according to the remarks today of the Minister of Agriculture (Mr. Whelan). Government spending is one of the most potent sources of inflation. We have tremendous natural resources and raw materials in Canada, and only 22 million people, most of whom live within 100 miles of the Unites States border. All levels of government today are taking about 1 per cent per year from the private sector. Today it is getting close to 40 per cent of our gross national product. The government repeats that this is necessary because private industry cannot provide sufficient financing.

[Mr. Rynard.]

● (1630)

Government spending is a potent cause of inflation. The only answer, as some economists suggest, is to limit government spending to about 35 per cent of the gross national product. The printing of money should be tied to the increase in the gross national product. The printing of money is now largely uncontrolled by a slap-happy government. For example in 1950 the government spent about 25 per cent of our GNP. By 1960 it was spending about 30 per cent. Ten years later the figure had risen to 36 per cent, and today it is hitting the 40 per cent mark. In 1973, real growth was about 7 per cent, but the money supply increased by over 17 per cent. You may ask yourself, what's new? Why do we have these tremendous additional costs in certain programs, especially as not one major social service program has been implemented recently. We may have reached a point from which we cannot reverse ourselves.

Of great concern to me—the Secretary of State for External Affairs touched on this—is the fact that an ever dwindling work force will need to carry an ever larger tax load, and grow more food. If the population of Canada doubles, will this country be self-sufficient in food? I do not think so. Last year we imported $900 million worth of food. If our population doubled, would we become a nation of food importers? This problem will become very serious if the prediction that more than half our people will live in Canada's four largest cities is right.

In Canada, the fastest growing group is comprised of persons 65 years old and over. No longer are young people the fastest growing group. We hear talk of retirement at age 65 and of cutting retirement age to 60. What is wrong with us? Why are we doing this? Are we looking ahead? The Secretary of State for External Affairs has said that adequate food and population control go hand in hand. He ought to have mentioned the tax load. Somebody must pay taxes for running the country. I suggest that the government establish a department concerned with geriatrics, because two million Canadians are presently over 65 years old. People should be able to retire on health grounds, physical or mental, before age 65. Some people at 50 are mentally and physically older than others are at 70. In future it may be necessary to scrap the idea of compulsory retirement because we need to retain skilled people in the work force.

No land on this planet remains undiscovered today, and the world is rapidly running short of food. The "knowledge explosion" has led to a phenomenal rise in the number of aged. Better health care, antibiotics and treatment facilities have given us a longer life span. Mr. Speaker, 2000 years ago, with the advent of the Christian era, a man's life span was 22 years. In the Middle Ages it rose to 30 years. At the turn of the twentieth century it was 50 years. Now it is more than 70 years for men, and 75 years for women. As medical science has improved, so has life expectancy. Soon life expectancy will rise to age 80 and over; it is still increasing. In the U.S.A. in 1900, one in 25 of the population was over 65. Three million Americans were in that age bracket. In 1960 there were 16,560,000 people over 65 years old, which is one person in every 17. Soon, in Canada, two million people will be 65 years old and over. These people will make up one in every 11 of our popula-

tion. By 1980 the average American can expect to live to 80 years, and one in seven will be 65 or over. Further, there are several thousand centenarians living in the United States.

Northeast of the Khyber Pass area of northern Pakistan, which borders on China on the east and the U.S.S.R. on the north, is Hunza, an area containing about 25,000 people who live a rugged life and eat grains, cereals, fresh fruits, vegetables, milk, cheese, grapes and rice. It is claimed that Hanjakut males live to 120. The Russians, at the university of Kharkov, have under observation and study about 6,000 people who are over 100 years old. These observations raise this question: what about our quality of life? Must a man's declining years be spend in loneliness, boredom, frustration, and with the conviction that he is unwanted? Must the younger members of society who make up the labour force carry on their backs more and more taxes to support an ever increasing number of older people? Or, on the other hand, will we fully utilize the abilities, wisdom and experiences which have been gained over the years? Should we not use all those who are physically and mentally fit, as long as they can contribute, and want to, to society?

Is it not sad to think that we do not even shudder at the economic loss resulting from cutting a man off from his work? If an older person retires, we lose the benefit of all his education, all his skills and all his knowledge which cost so much to accumulate. Mr. Speaker, every day is a school day for all of us. Will we create a group of people who have been forced out of the work force at age 65 by compulsory retirement? Will we force them to deteriorate gradually? Will we see them not wanting to live, as the days ahead are too dark, while doctors with modern medicines keep them alive, often in homes or chronic care hospitals? How many of these people could be salvaged and kept active, working and earning as long as they are mentally and physically able to do so? Mr. Speaker, the work record of such people who have been maintained in the work force is excellent.

Leaving out entirely any question of humanity, the economics of the course of action I am suggesting force us to look hard at what is actually happening. We are destroying the productivity of persons 65 and over and we are losing their potential tax contributions. At the same time, we are loading more and more heavily with taxes a work force that will be growing smaller. The pill will see to this. In the long run, this means a lower standard of living for all Canadians.

I could give the House many examples of the great contributions which have been made by men and women over 65. I think of Mr. Schumaker, at Columbus. He started the Schumaker mine at Timmins. I met him first when he was 89 years old, at Columbus, Ohio. The next day the President of the United States was calling on him for counsel and advice. Winston Churchill sat in the British House of Commons when he was 87. Just think, what would have happened to the world if he had quit at age 65. Grandma Moses painted on her one hundredth birthday. Toscanini did some of his most brilliant conducting after he was 80. Bernard Baruch of New York, the confidante of presidents, worked in his office on his ninetieth birthday. Let me point to members of my own profession. Many doctors who retired at 65 in Canada have gone overseas to work in underdeveloped countries, where they are given the opportunity to exercise their skills and teach others.

Not only does a worker over 65 lead a much happier life when he knows he is still useful, but very likely he will be more healthy mentally and physically if he works. In that way he will add to the gross national product and pay taxes. In addition, if more aged people work, there will be a decrease in the number of cases needing custodial or chronic nursing care. This will reduce health care costs. In view of the increasing numbers of elderly people in our society and the great value of their potential contribution, I ask that a department of geriatrics be established in all medical schools of Canada. This is being done, or planned in many countries. Again we are lagging behind. I suggest that the health resources fund could finance such a project.

Diseases among those over 65 vary a great deal, ranging from those endemic in the aged to virulent diseases. In ten years it may well be that every seventh person will be over 65. Keep in mind that the population is about break-even at 25. Trained people and others are just starting to earn money at 25. Therefore, you have one person in every three or four who is 65 or over starting at 25 years old.

• (1640)

I ask this parliament to consider setting up a department of geriatrics. I believe it would be one of the most worth-while things that could be done for people aged 65 and over who are able, willing and have the skills and knowledge with which to undertake work. They could make a great contribution to Canada's economy. I plead not only for these people from the physical standpoint—and they would be a lot better off physically and mentally by doing this—but also from the economic standpoint. It would also keep many of them out of our institutions. This has been proved over and over again. We would also lessen the tax burden on the working force which is becoming smaller and smaller because we have to reduce the number of births due to the food shortage throughout the world.

The Secretary of State for External Affairs said this was a very dominant theme in the organization which he attended and addressed. I say to my fellow members of parliament, here is the place to start something that will place Canada, and keep her, in the forefront of the world's health and humanitarian field. It will show the rest of the world that we are planning ahead and setting an example.

Mr. C. Douglas (Bruce): Mr. Speaker, it is with great trepidation and, at the same time, a great deal of pride that I, as the newly elected member of the great constituency of Bruce, rise to address this august body of parliamentarians and outstanding orators. May I offer my congratulations on the election of the Speaker to the exalted post he now occupies. I am sure hon. members will agree that during the short period we have been in session he has shown unquestionable capability in his sincere efforts to rule over the proceedings in a completely fair and unbiased manner.

The mover, my seatmate, the hon. member for Montmorency (Mr. Duclos), and the seconder, the hon. member for Vancouver East (Mr. Lee), of the address in reply to the

Speech from the Throne are also new members and were probably, when speaking, as filled with trepidation as I am. I offer my congratulations on the wonderful speeches they made.

If I may, I would like to take this opportunity to bring to the House special greetings from my immediate predecessor and former colleague of many members here, Ross Whicher, a member who I am sure, during his sojourn here impressed the House with his outstanding representation of the constituency and his ability to strike out at any injustice or lend complete support to measures he believed would provide a better future for the people of this great country.

Some hon. Members: Hear, hear!

Mr. Douglas (Bruce): The constituency I am so proud to represent is predominantly rural and agricultural. It contains many of the facets and backgrounds that go to make Canada the greatest country in the world. It is a country that has become, for untold millions of the world's downtrodden and oppressed people, literally the promised land. The responsibility now rests squarely on our shoulders to keep Canada the kind of nation the rest of the world can look to for guidance and responsible leadership.

Bruce constituency is predominantly of Scottish, British, Irish and German background, consisting of both small and medium sized industry, industry that goes hand in hand with the primary concerns of agriculture and tourism. It is now the largest producer of top grade beef cattle in Canada. The farmer, both large and small, plays a predominant role in the constituency's future.

The Bruce Nuclear Power Development has also added considerable stimulus to the economy of the constituency, but has brought with it a number of problems. The Bruce Nuclear Power Development employs a total, including construction and operations people, of approximately 4,000 persons. There is now a proposed expansion which will reach an employment peak in the period 1978-1979 of approximately 7,500 people. When the whole of the proposed expansion is completed about 1983, the permanent work force at the complex will be reduced to about 2,000 people.

The original Douglas Point power station, as it was known, was started in 1967. One heavy-water plant was started in 1973, and there is a large nuclear station now made up of four units, each having a reactor. The first one will be in operation by next year. The plant will be completed in 1978. There are three more heavy-water plants to come into production. Work is now under way on one of them.

The employees brought in to work at the development are both professional and trades people. I might point out these are people who are not available in the area and thus have to be brought in to accomplish the work load now before the constructors and the power plant development people. As I have said, this brings forth some problems with the labour force in the area. Many of our businessmen are hard-pressed at the present time to come up with help of any kind. Many of our small businesses are desperately searching for help and cannot find it. In many ways, they are right up against it. I would also point out that the constituency contains some of the finest beach area in the country. The beachline stretches from well below Kincardine on the south, all the way to the tip of the Bruce peninsula and back down the Georgian Bay side to the Sound, from which the city of Owen Sound derived its name. Included in the area is the well known Sauble Beach area and Tobermory, which is now, of course, the stepping-off point for the brand new ferry *Chi-Cheemaun*. It carries people not only from the Bruce peninsula but to the Bruce peninsula on their way to and from Manitoulin Island and its resort areas.

Hon. members can see from this that Bruce is a composite constituency, one made up of peoples from throughout the world. It is a constituency in which industry and tourism rub elbows and run hand in hand with agriculture. However, it is a constituency which in many respects is cut off from the rest of Canada and the rest of the province of Ontario at the present time, due to lack of adequate transportation facilities. It is with this fact in mind that I want to address part of my remarks to the portion of the Speech from the Throne concerning the implementation of improvements and the introduction of better transportation facilities, not only for the people of Bruce constituency but also for the people of Canada.

In many ways, the constituency of Bruce is a composite of the problem presented to the government of Canada and the people of this nation when, to my way of thinking, the Canadian National and the Canadian Pacific railways ceased to carry out their mandate and meet their obligations to the people of this country. That mandate was to provide, effectively and economically, passenger service and freight transportation throughout Canada, including areas which, while not of prime monetary value to the railways at present, did have significant and important value in the development of the nation and the start of the railway network.

● (1650)

Since the cessation of proper rail service throughout the area of Bruce, many attemps have been made to have this service reinstated, all to no avail. The transport committee held several sessions in the area, at which time many and varied organizations presented briefs, put forward solutions and tried as best they could to make clear to the transport committee and to the railways the inconvenience that the people of the area were facing.

It seems incongruous to me that in this great land of ours we should find people who are now literally cut off because they have made a decision, whether right or wrong, to settle, develop and plant roots in a particular area of this country. Not only are they cut off from ready access to large metropolitan municipalites; they are also, in many cases, cut off from medical assistance that is greatly needed. In order that the people of the riding may receive proper treatment for many of the diseases with which man is afflicted, fast, efficient and economical service to large metropolitan centres such as Toronto, Kitchener and London are needed. It seems to me, Mr. Speaker, that given the vast resources available in this country such a situation should not be allowed to exist any longer.

I should also like to refer to the speech the Minister of Transport (Mr. Marchand) made in this House on October 3. He said:

It seems it should not take two or three hours as happens now to go from St. Hyacinthe to Montreal, if you can leave at 9.00 o'clock in the morning. That is awful. We can do better than that.

I certainly agree with the minister when he said: "That is awful". But I would point out to him and to the members of the House that the transportation situation faced by people in my riding of Bruce makes the two-hour time lapse from St. Hyacinthe to Montreal seems like a bed of roses in comparison. People travelling from Owen Sound or from Port Elgin, Wiarton, Southampton, and so on, to Toronto are accustomed to take anywhere from four to eight hours to travel the 200 miles or so. If the situation at St. Hyacinthe is awful, I am afraid I cannot quite grasp the word necessary to describe the situation we have in western Ontario.

Mr. Paproski: "Lousy."

Mr. Douglas (Bruce): That comes close. In some of the areas surrounding Owen Sound and Wiarton, for instance, any type of transportation to and from the large cities other than motor car or shanks-pony is all but non-existent. During the visit of the transport committee to western Ontario, a reporter from one of the large metropolitan newspapers in Toronto went to a small community in the northern part of the riding to see just how acute our transportation problem was. The gentleman in question must have displeased the local citizens, because they stole his cab. Three days later he still had not returned to Toronto, and if someone had not relented and given him his car, the latest press releases from that reporter to the Toronto *Star* would still be coming by pony express. Such is the acuteness of the transportation problem in this particular riding in western Ontario.

Mr. Speaker, this country has long pioneered in the use of aviation not only in Canada but in centres throughout the world. The aviation history of this country is second to none as far as development, promotion and the proper use of air space is concerned. It seems to me that since the takeover of the de Havilland Aircraft corporation by the government of Canada not too many weeks ago, the possibility of using the fine aircraft developed by the company, DHC-6 twin Otter, for the introduction of a commuter-type service to the large centres would certainly fit in with the plans and aspirations of the present government as far as providing adequate transportation is concerned.

To say that western Ontario and Bruce riding are the only areas to suffer from dire lack of transportation facilities would be an understatement of the problem. This does not mean, however, that the riding of Bruce or western Ontario should receive preferential treatment, for it is my belief that proper transportation systems such as this would benefit many areas of Canada and give them the development they need, as well as bringing them into closer communication with the larger urban centres. This would make it possible for immigrants to this country to diversify, to spread out and find that promised land they search so diligently for when they apply to come to this great country of ours.

It certainly seems to me it would not be stepping out of character for the government of Canada to set aside moneys for such projects in areas of this country where transportation is now anything but up to standard. We have been known to lend money to other countries of the world, to help them improve and diversify their transportation systems.

I suggest this is one area where charity might begin at home. Many of the Francophone countries of Africa have received loans from the government of Canada to set up just such a type of transportation system, using the de Havilland DHC-6 twin Otter and other aircraft of that type.

It is with this in mind, Mr. Speaker, that I look with favour upon the reference in the Speech from the Throne to improved arrangements for transportation studies and better transportation for the people of Canada, particularly for the people of Bruce and the surrounding municipalities of western Ontario. This improved transportation service for their produce and livestock is something that they not only richly deserve but, I feel, have every right to expect.

May I also at this time, Mr. Speaker, commend the actions of the Minister of Veterans Affairs (Mr. MacDonald) in introducing into the House of Commons a bill to amend the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act. I would point out to hon. members on both sides of the House that the men from the riding of Bruce and surrounding western Ontario were among the first to serve in two great wars and provide this country with the protection from which its citizens received so much benefit, and it now seems to me very fitting that we should look to the future of our veterans and the dependants of men who have served this country well and honourably in two great wars.

I would also call attention to the contribution which has been made to the riding of Bruce by the native people who I am very proud to represent in this parliament—native people from the Chippewa band, the Saugeen reserve, and also from the Cape Croker Indian reserve. Men from both reserves were among the forefront of those volunteering their service to their country in time of war. These people have done much to enhance the prestige of the riding of Bruce, particularly in the Saugeen area where they have developed, and are continuing to develop, a fine beach-front area, with summer cottages, which people from the larger urban centres have the opportunity of renting for the summer period. The native peoples of the Cape Croker area, I am honoured to say, have provided the riding with some outstanding men and women who have continued in educational fields and have become a tribute not only to their race but to the riding as a whole.

Also, Mr. Speaker, as we are predominantly a rural riding I am pleased to see provisions are being made—this was referred to in the Speech from the Throne—for the betterment of the farm population, for in Bruce we take pride in being known as the beef capital of the province and we are fast approaching the point at which we are recognized, I believe, as one of the beef capitals of this country, if not of the world. Yearly production of cattle in the riding of Bruce stands at approximately 176,000 head. In addition to that, another 35,000 head of dairy cattle are in production. Our production of hogs is also on the rise and stands in the neighbourhood of 119,500 a year.

Therefore, it seems logical to me that if the riding of Bruce is the centre of beef production, then the young

people of the riding will certainly have much to contribute in the not too distant future in supplying the needs of not only Canadian citizens but of citizens around the world as far as farm production is concerned. With this in mind, I hope that the government of Canada some time in the near future will take steps to see that young people are given encouragement and, indeed, much financial assistance, not only to remain on the farm but for many of them to return to the farms on which they made their way.

● (1700)

I am unhappy to report, as are many others from rural ridings, I am sure, that one of the prime exports of rural ridings throughout this country is our most prized possession resource—the young people of the riding. The young people are leaving these areas. They cannot get what they need there, so they leave. They leave to seek higher education in urban centres and, I am very sad to say, not too many of them return but look elsewhere for business and professional opportunities. With the help of the government of Canada and the members of this House, I hope we can provide these fine young men and women, not only of my riding but of many rural areas throughout Canada, with the opportunity, the encouragement and the financial assistance that would see them return to their homes and back to the land and the agricultural profession upon which we all depend so greatly.

Without the return of the young people back to the land of their forefathers in the not too distant future, the outlook for not only providing food staples for our own consumption but, most definitely, food staples for much of the world, will be in bad straits. The demand is growing year after year throughout the world for production of food. Without the young people on the farm—and our farm population is much beyond middle-age; much of it quite elderly—I am very sad to say that our production of food will be seriously curtailed, if not diminished to the point of starvation and we will be faced to a greater extent with the plight of so many in today's world.

We must all realize that there are many causes of war. People have listed hundreds of them. When you get right down to it, the one thing that will cause any person to fight is the threat of starvation. Such an individual will fight you before he starves. So we must get young people back on the farm. We must give them that opportunity. We must give them a fair return on their capital investment and the time they spend on the farm. We must also bear in mind that without a fair return on investment, no young person—indeed, no one—will return to or remain on the farm if his cash reserves dwindle and disappear, finding himself, for want of a better word, rich in possessions when he is dead.

Therefore, not only would an improvement in the transportation system benefit the farm population of my riding; it would also be of great advantage to the tourist industry—and the tourist industry is of prime importance to the riding of Bruce. Many of the people in that area depend heavily upon tourism for their livelihood, and without an upgrading of facilities and provision of proper transportation, many of them will find that they, too, must soon go elsewhere to continue their occupation and earn their livelihood. It is of the utmost importance, at least for my riding in Ontario—and, I might add, for many ridings such as mine throughout the country—that the problems of transportation be given high priority for action by the government of Canada.

I should like to divert just for a moment from my prepared text and speak primarily to those who, like myself, are new members of parliament. Since arriving here, many people have asked whether this is really all worth while, and what I can do as a backbencher. Much has been said of a backbencher, his thoughts and feelings. A former member, Gordon Aiken, wrote a very good book about the backbencher. If I might leave one message with my fellow backbenchers, it is this. Look around this House of Commons, and what do you see? We are all representatives of the people because we are the people of Canada from sea to sea and from north to south. We in the back benches and in the front benches represent every race, creed and colour. We are represented here by individuals with the prefixes Mr., Mrs., Miss and Ms. Some have a background of farming, of mining, fishing, lawyers and, yes, Indian chiefs as well. This is why we are important as backbenchers: we are the people of Canada. I think this is of importance to the government of Canada and it is why it is important for us to be members of this House.

If there is one aim for this government over the next few years—however long we are to be here—it should be to bring together the people of Canada. We, the representatives of the people of Canada, are divided on many occasions, as this country is divided, and it seems to me a shame that only in time of war do all the people of a land come together with a common goal. Perhaps we should soon realize that we are at war. Instead of the front lines being many thousands of miles away over the seas, our battles are being fought right here. Our battle is between democracy and democratic government and those ideals that would be forced upon us by others—government without the benefit of the vote, without the benefit of elections and without the benefit of membership in such a body as this House of Commons. We, as members, must realize that we are the front line soldiers and the people of the world look to us to see how, and why, democracy can, and does, work so well.

At the present time Canada is in an extremely fine position. It is a country in which democracy has worked, and worked properly. As a result of the unfortunate incidents which have occurred south of the border in recent years, I think now more than ever the people of the world will look to this country for leadership, for the right approach of government and for the association of people with the government. As a backbencher here, may I say that is why I feel it is such an honour to be part of this august body of legislators. We are in the front lines of the battle for freedom, and we have the opportunity to express our aims during this thirtieth parliament. We should all work toward uniting this country.

To those in the back benches who perhaps look to the cabinet and see people of high renown, let me say that those in the front benches should look back; they sit up front because we sit behind. Finally, I might say to hon. members on both sides of the House, at times the process of government has been likened to the action of a turtle. That is certainly not one of the fastest animals in the world but one, in the words of Aesop's fable, that slowly

and steadily over the years has won the race. I would remind hon. members that the turtle, having the protection of an armoured body, stands still to protect itself but must come out of its shell in order to make any advance whatsoever.

Perhaps, like the turtle, the government of Canada and the House of Commons, in order to advance along a straight line must from time to time stick out their necks. Perhaps this thirtieth parliament would do well to adopt the turtle as its symbol, for I believe that now more than ever we must be willing to stick out our necks and make decisions. It will be of long-term importance to the citizens of this country if we are determined to reach agreement on many of the bills and proposals put forward in the Speech from the Throne, so that this country of ours can continue to advance and to set a precedent for the nations of the world. Only by doing so can we as a nation continue to grow and enable future generations of young people to look back with pride on the achievements of their forefathers.

● (1710)

I think that if nothing else, if this thirtieth parliament can draw Canada closer together and we can develop a common policy of being a leader in the world, then as that very famous parliamentarian, Sir Winston Churchill, said, if this country of ours does live for 1,000 years people will be able to look back at this thirtieth parliament and say, "It was their finest hour".

Mr. Ken Hurlburt (Lethbridge): I should like to take this opportunity to congratulate the Speaker and the Deputy Speaker upon their appointments. I am confident that you, sir, will carry out your responsibilities with great skill and distinction. I congratulate the new members who so ably moved and seconded the address in reply to the Speech from the Throne. At this time I wish also to congratulate the hon. member for Bruce (Mr. Douglas). I want him to know that we will continue to ship cattle from our constituency to his, to make sure he can tell everyone in Ontario that his constituency is the largest so far as cattle population is concerned.

I am proud to be able to say I represent the most picturesque riding in Canada, consisting of large grain farms to the east and north of my constituency. It is made up of 75 per cent of the irrigation lands in Canada, spreading over and into my colleague's riding of Medicine Hat. The west end of my constituency is made up of the most beautiful ranching country in the world. It takes in the towns of Cardston, Pincher Creek and Fort MacLeod. Fort MacLeod is my home and is the oldest settlement in the province of Alberta. It is also the home of the Royal Canadian Mounted Police which was established in 1874.

Last but not least, the most beautiful city in Canada is the centre of trade in my constituency. It is known as the garden city of Lethbridge. It encompasses the famous Nikka Yuko Japanese garden and the most modern community college in Canada. Recreation facilities are second to none. In addition, we have Canada's newest and most beautifully designed university, the University of Lethbridge. Also in this centre there are four new livestock processing plants which process more top-grade beef than any other centre in Canada.

The city of Lethbridge has many different types of manufacturing plants. Due to its unique situation in having manufacturing, processing and assembly plants, backed by Canada's largest feedlots and cattle ranches, and virtually no unemployment, Lethbridge is the envy of every member of parliament, including my colleagues in the official opposition. In Lethbridge we are very proud that we will be the host of the Canada Winter Games from February 11 to February 23, 1975.

One of the main concerns of my constituency is agriculture. In view of the track record of the last two ministers of agriculture prior to my arrival in Ottawa, we in our constituency are very thankful that we had strong representatives here to fight the very dictatorial Bill C-176. Then there was the LIFT program. What concerns the people of my constituency now are the answers received from the Minister of Agriculture (Mr. Whelan). Since I arrived here he has brought in tariffs and then taken them off. He has instituted surcharges and then taken them off. On the issue of DES he was asked a question in the House, to which he answered that any good cattleman could tell the difference between a Canadian cow and an American cow. He told the people they would have to buy cheaper cuts of beef. He said that they could buy round steak off the front quarter. He told us that the producers must have more for their product, and then he tells us that the consumer will have to pay more for the product.

I am not a Rhodes scholar, but it would seem obvious to me that if the cattleman is to receive more, the consumer would have to pay more for the product. Last week the minister told us that if milk was in short supply, we could buy wine. All these things concern the people of my constituency. When the subsidy program was brought into effect, fat steers were selling for 47 cents a pound in Alberta. I begged the Minister not to bring in the subsidy program, but it was brought in anyway. The minute it was implemented, the price dropped to 40 cents a pound. The seven-cent subsidy program which came into effect cost the Canadian taxpayer millions of dollars.

In respect of DES there were no answers. I have asked the Minister of Agriculture of many occasions to please institute an investigation into the grading system and its abuse, but nothing has been done. Not thousands but millions of dollars have been spent on reviews and on study groups to study the study groups, but there is no answer yet in this regard. I even have proof of abuses in respect of the grading system. Still there is no answer.

It is not necessary for me to elaborate on the egg issue. As far as I am concerned, all these programs have been detrimental to the producer and to the consumer. At the present time there is no faith in the livestock industry. Everyone must plan for the future. Previously, the attitude was that things would be better; but today, as far as agriculture is concerned, the attitude is that it is at its lowest ebb. When one considers the amount of land that is being taken out of production in central Canada every day, I believe the Minister of Agriculture will have to stop and listen because he will need the maritimes and western Canada, since these areas will eventually supply the foodstuffs of Canada.

The next issue which concerns the people of my riding is bilingualism. I have spoken to people in my province, in

my riding and in the province of Quebec when I have sold cattle there. These people do not understand why bilingualism seems to be all right for the rest of Canada but not for Quebec. They condemn the Prime Minister (Mr. Trudeau) for not checking the constitutional legality of Bill-22. I drove to Magog Lake and Sawyerville, Quebec. I was lost three times. There was not an English sign on the highway.

If one came to my constituency he would see that we have bilingual signs. There are bilingual signs in Waterton Lakes national park. One area of concern is that although there were beautiful signs all through the park which blended in with the scenery, they were taken down. These signs had English on top and French on the bottom. They were taken down and new signs were put up. These signs are painted green, with white lettering. The English is on the left and the French on the right, because it was considered discriminatory to have the French under the English. This is costing the Canadian taxpayer thousands and thousands of dollars, and I think it should stop.

● (1720)

The only thing we should be looking for in our country is total integration, and I think that is what we are after. In 1905, people from the province of Quebec settled in our country, and so did the people from Ontario. I think we must stop this government and this Prime Minister adopting the attitude of "divide and conquer". This is splitting us up and I think we are all agreed that we do not want to split; we all want one Canada. Out west we are sure of one thing, namely, that this government can legislate to its heart's content but eventually Canada will develop its own North American culture.

The next issue of concern to the people in my constituency is the breakdown in our relations with the United States. I should like it to be known that I am definitely not anti-American; I am pro-Canadian. I think that we should be thankful that our neighbour is the United States and that we do not border Red China or Russia. I suggest that we come to our senses and realize who our largest trading partner is. I have seen the day when we really needed them so far as our livestock industry was concerned. We are now looking for reciprocal agreements. We feel that it is our duty to get along with our neighbour, whether it be across a barbed-wire fence or across a border, and we firmly believe that if the present trend continues—particularly if the socialist party here continues to keep the universities riled up, to keep a heavy concentration of union workers riled up, and to divert our attention to the United States and keep them riled up—there will be only one loser, and it will be us.

Some hon. Members: Hear, hear!

Mr. Hurlburt: Next I would like to make some comments about the biggest concern in Canada. We are all concerned about agriculture. We think we have problems with bilingualism and with the continued breakdown in our relations with the United States. But I say that the most serious problem we have today is the ever increasing trend toward socialism. Men and women in the public spotlight are constantly being asked to express their opinions on the thousands of governmental proposals and projects. They are asked such questions as: what do you think of DREE; what is your opinion of LIP or OFY; how do you feel about urban renewal? The list is endless. All too often answers to these questions seem to be based, not on any solid principle but upon the popularity of the specific government program in question. Seldom are men willing to oppose a popular program if they themselves wish to be popular, especially if they seek public office. Unlike the political opportunist, the true statesman values principle above popularity and works to create popularity for those political principles which are wise and just.

I should like to outline in clear, concise and straightforward terms the political principles to which I subscribe. These are the guidelines which determine now and in the future my attitudes and actions toward all proposals and projects of the government. These are the principles which, in my opinion, proclaim the proper role of government in the affairs of the nation. I believe that governments are instituted by man for the benefit of man, and that we hold men accountable for their acts in relation to them, both in making laws and administering them for the good and safety of society.

I believe that no government can exist in peace unless such laws are so framed, and not violated, as to secure for each individual the free exercise of conscience, the right to and control over property, and the protection of life. The proper role of government includes such defensive activities as the maintenance of national military and local police forces for protection against loss of life, loss of property and loss of freedom at the hands of either foreign forces or domestic criminals. The way to have a good and safe government is not to trust all to one, but to divide it among the many, distributing to everyone the functions which he is competent to exercise.

History has proven that each class or special interest group competes with the others to use the lever of governmental power in their favour, or at least to immunize themselves against the effects of a previous thrust. Labour receives a minimum wage, so agriculture seeks a price support. Consumers demand price controls, and industry receives protective tariffs. In the end, no one is much further ahead and everyone suffers the burdens of a gigantic bureaucracy and loss of personal freedom. With each group being out to get its share of the spoils, the result is that historically governments have mushroomed into total welfare states. Once the process begins, once the principle of the protective function of government gives way to the aggressive or redistributive function, forces are set in motion that drive the nation toward totalitarianism. It is impossible to introduce into society a greater evil than the conversion of the law into an instrument of plunder.

Students of history know that no government in the history of mankind has ever created any wealth. It is the people who work who create wealth. According to the Marxist doctrine, a human being is primarily an economic creature. In other words, his material well-being is all-important and his privacy and his freedom are strictly secondary. The Soviet constitution reflects this philosophy in its emphasis on security, food, clothing, housing, medical care—the same things that might be considered in jail. The basic concept is that the government has full respon-

sibility for the welfare of the people and in order to discharge that responsibility must assume control of all their activities.

It is significant that in reality the Russian people have few of the rights guaranteed to them in their constitution, while the Canadian people have them in abundance, even though they are not guaranteed. The reason, of course, is that material gain and economic security simply cannot be guaranteed by any government. They are the result and reward of hard work and industrious production. Unless the people bake one loaf of bread for every citizen, the government cannot guarantee that each will have one loaf to eat. Legislation can be written, laws can be passed, but unless the bread is produced it can never be distributed.

Why, then, do Canadians bake more bread, manufacture more shoes and assemble more television sets per capita than Russians? They do so precisely because our government does not guarantee these things. If it did, there would be so many accompanying taxes, controls, regulations and political manipulations that the productive genius that is America's would soon be reduced to the floundering level of waste and inefficiency now found behind the iron curtain. I should like to quote Thomas Jefferson who, in his first inaugural address in 1801, said:

> With all these blessings, what more is necessary to make us happy and prosperous people? Still one thing more, fellow citizens—a wise and frugal government which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labour the bread it has earned.

The principle behind this philosophy of labour can be reduced to a rather simple formula. First, economic security for all is impossible without widespread abundance. Second, abundance is impossible without industrious and efficient production. Third, such production is impossible without energetic, willing, eager labour. Fourth, this is not possible without incentive. Fifth, of all forms of incentive, the freedom to attain reward for one's labours is the most sustaining for most people. Sometimes called the profit motive, it is simply the right to plan and to earn and to enjoy the fruits of your labour. Sixth, this profit motive diminishes as government controls, regulations and taxes increase to deny the fruits of success to those who produce. Seventh, therefore any attempt through governmental intervention to redistribute the material rewards of labour can result only in the eventual destruction of the productive base of society for more than the ruling elite, and that is quite impossible.

● (1730)

The following is a report as recorded in the Corydon, Indianna Republican in 1966 on Socialism in Saskatchewan. It reads in part:

> For a period of 20 years, from 1944 to 1964 Saskatchewan, Canada, across the border from Montana, had a socialist government, about the only one in North America, except Castro's. Here is an account of that stewardship in the words of the present premier of Saskatchewan, the Honourable W. Ross Thatcher.

Mr. Rodriguez: No more trips to Cuba, Ken.

Mr. Hurlburt: Not with you. Mr. Speaker, Mr. Thatcher is quoted as saying:

> In 1944, the socialists said they would solve the unemployment problems by building government factories. They promised to use the profits to build highways, schools, hospitals and to finance better social welfare measures generally. Over the years they set up 22 so-called Crown corporations . . . By the time we had taken over the government, 24 months ago, 12 of the Crown corporations had gone bankrupt or been disposed of. Others were kept operating by repeated and substantial government grants.
>
> During the whole period the socialists waged war against private business. The making of profits was condemned as an unforgiveable sin. What was the result? Investors simply turned their backs on the socialists. Dozens of oil companies pulled up stakes and moved out. Gas exploration ground to a complete halt. Prospecting in our vast north became almost non-existent.
>
> During the period Canada was experiencing the greatest economic boom in her history, Saskatchewan received only a handful of new factories.

An hon. Member: Did Bob Stanfield write this?

Mr. Hurlburt: No, he did not. A good Liberal premier, Ross Thatcher, wrote it. It continues:

> After 18 years of socialism, there were fewer jobs in manufacturing than existed in 1945—this despite the investment of $500 million in Crown corporations.
>
> During the period more than 600 completely new taxes were introduced, 650 other taxes were increased. Per capita taxes in Saskatchewan were soon substantially out of line with our sister provinces—one more reason why industry located elsewhere.
>
> The socialists promised to make Saskatchewan a mecca for the working man. Instead, we saw the greatest mass exodus of people out of an area since Moses led the Jews out of Egypt. Since the war, 270,000 of our citizens left Saskatchewan to find employment elsewhere.
>
> If there are any Americans who think that socialism is the answer, I wish they would come to Saskatchewan and study what has happened to our province.
>
> The Saskatchewan story deserves to become classic in the annals of political science and a study course in college classrooms throughout the United States.

The economic and social cannibalism produced by this communist-socialist idea will destroy any society which adopts it and clings to it as a basic principle—any society. In Canada we have travelled a long way down the soul-destroying road to socialism.

Mr. Speaker, the hon. member for Nickel Belt (Mr. Rodriguez) and I went to Cuba together this year. We visited Fidel Castro for 3½ hours. We saw where the government had taken over 70 per cent of the land. We found out that they were highly mechanized, with 23 per cent of the equipment being Russian, and that taking the land away from the farmers resulted in a drop in production. My friend from Nickel Belt who represents the socialist party thought this was a great way of life, but I did not want any part of it.

Some hon. Members: Hear, hear!

Mr. Hurlburt: As Henry Grady Weaver wrote in his excellent book The Mainspring of Human Progress:

> Most of the major ills of the world have been caused by well-meaning people who ignored the principle of individual freedom, except as applied to themselves, and who were obsessed with fanatical zeal to improve the lot of mankind—in the mass through some pet formula of their own—

The harm done by ordinary criminals, murderers, gangsters and thieves is negligible in comparison with the agony inflicted upon human beings by the professional do-gooders who attempt to set themselves up as gods on

earth and who would ruthlessly force their views on all others, with the abiding assurance that the end justifies the means.

An hon. Member: You are talking about Nixon.

Mr. Hurlburt: Mr. Speaker, once again I am speaking to hon. friends on my left, especially my friend from Nickel Belt, Ontario. I think my friend from Nickel Belt should get down at his bed at night and thank God he lives in this country. He is a man who came from Guyana 14 or 15 years ago, who taught school in this country and has contributed absolutely nothing to it; but he has kept unions and workers riled up and now he is a member of parliament. I tell you, Mr. Speaker, it is a sad day for Canada.

Canada is a wealthy country. Even during the depression, Canadians ate and lived better than most people in other countries do today. In reply to the argument that just a little bit of socialism is good so long as it does not go too far, it is tempting to say that, in like fashion, just a little bit of theft or a little bit of cancer is all right, too. History proves that the growth of the welfare state is difficult to check before it comes to its full flower of dictatorship. But let us hope that this time around the trend can be reversed. If not, then we will see the inevitability of complete socialism, probably within our lifetime.

Some hon. Members: Hear, hear!

Mr. Hurlburt: They are pounding and clapping over there, but it is getting weaker and weaker, Mr. Speaker. I think I might have convinced some of them to walk over and join us tomorrow.

Three factors may make a difference. First, there is sufficient historical knowledge of the failures of socialism and of the past mistakes of previous civilizations. Second, there are modern means of rapid communications to transmit these lessons of history to a large, literate population. And thirdly, there is a growing number of dedicated men and women who, at great personal sacrifice, are actively working to promote a wider appreciation of these concepts. The timely joining together of these three factors may make it entirely possible for us to reverse the trend.

This raises the next question: how is it possible to cut out the various welfare programs promoted by our government, which have already fastened themselves like cancer cells on to the body politic? Is drastic surgery already necessary, and can it be performed without endangering the patient? In answer, it is obvious that drastic measures are called for. No halfway or compromise actions will suffice. Like all surgery, it will not be without discomfort, and perhaps it will even leave some scar tissue for a long time to come. But it must be done if the patient is to be saved, and it can be done without undue risk.

The first step toward restoring the limited concept of government should be to freeze all welfare programs at their present level, making sure that no new ones are added. The next step would be to allow all present programs to run out their term, with absolutely no renewal. The third step would involve the gradual phasing-out of those programs which are indefinite in their term. In my opinion, the bulk of the transition could be accomplished within a ten-year period, and virtually completed within 20 years.

● (1740)

Mr. Gilbert: Is this Tory policy?

Mr. Hurlburt: No, this is my own policy. Mr. Speaker, I have run into a good deal of static from members to my left. It does not bother me, because I am proud to have been born in this country and proud to have been given the opportunity to earn a living in it. I have not been a charge on any level of government, be it municipal, provincial or federal. I just want the right to run my little farm at home without government interference, and I sure don't want anybody else interfering.

Some hon. Members: Hear, hear!

Mr. Hurlburt: In closing—I am sure hon. friends to my left want me to continue—

Some hon. Members: Yes.

Mr. Hurlburt: —all I can say is, the time to act is now. We live in the greatest country in the world. We have the resources; we have the manpower. The government has been handed a mandate. All that is needed now is common sense and strong leadership.

Mr. Speaker: Is the hon. member for Nickel Belt (Mr. Rodriguez) seeking the floor because he wishes to ask a question?

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, thank you for recognizing me. I have a few minutes in which to speak before 5.45. First, may I congratulate you upon elevation to your office. The act of the hon. member for Lethbridge (Mr. Hurlburt) is pretty hard to follow. You can now understand the great insight he displayed regarding his visit to Cuba. I was amazed by some of his comments, especially his saying I was not a native son of Canada.

Mr. Speaker, I tell you that I contribute as much as any other Canadian, and I have all the rights of any Canadian. It bothers me to see the great Tory Party sending Mr. Bill Davis to Italy to garner Italian votes in Canada. At election time they do everything in their power to gain ethnic support, yet some members of that party stand in this House and pass slurs to the effect that I was not born in this country. Actually, the Liberal candidate in Nickel Belt in the last election campaign tried the same trick. He said I was a new Canadian and had no right to represent the people of Nickel Belt. Well, the people of Nickel Belt decided, and whether the hon. member for Lethbridge likes it or not, I am a member of this House, with all the rights and privileges he has.

Some hon. Members: Hear, hear!

Mr. Rodriguez: I have heard three throne speeches. This one reminds me of Alice in Wonderland, and of the little

verse in the book which goes something like this:

"You are old, father William," the young man said,
And your hair has become very white;
And yet you incessantly stand on your head—
Do you think at your age it is right?
In my youth, father William replied to his son
I feared it might injure the brain,
But now that I'm perfectly sure I have none,
Why, I do it again and again!

Mr. Cafik: Is that where we have spent our research dollars?

Mr. Rodriguez: Well, it did not take much research to look into this Speech from the Throne. Actually, when I look at the speech I see so many paradoxes that I feel impelled to point some out. For example, in one part of the speech the government talks about peacekeeping. We take a great deal of pride in peacekeeping; but, Mr. Speaker—

Mr. Speaker: Order, please. Perhaps the hon. member will have another occasion to continue his remarks. I regret very much having to interrupt him at this time. However, it being 5.45 p.m., it is my duty, pursuant to Standing Order 38(5), to interrupt these proceedings and forthwith put every question necessary to dispose of the main motion.

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

Mr. Stanfield: On division.

Motion (Mr. Duclos) agreed to.

Hon. Mitchell Sharp (President of the Privy Council) moved:

That the said address be engrossed and presented to His Excellency the Administrator of the Government of Canada by Mr. Speaker.

Motion agreed to.

Mr. Sharp: Mr. Speaker, I ask that we call it six o'clock.

Some hon. Members: Agreed.

Mr. Speaker: It being agreed that we call it six o'clock, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2.

At 5.50 p.m. the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Thursday, October 17, 1974

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. EPP—ALLEGED CONFLICT BETWEEN STATEMENTS BY MINISTER AND PRIME MINISTER ON IMMIGRATION POLICY

Mr. Jake Epp (Provencher): Mr. Speaker, I rise on a question of privilege, notice of which I have given Your Honour. I put it forward on behalf of myself and every member of this House. My question of privilege stems from the practice of the Prime Minister (Mr. Trudeau) and the Minister of Manpower and Immigration (Mr. Andras) of continually making conflicting statements respecting release of the green paper on immigration.

● (1410)

As early as September 17, 1973, as recorded at page 6611 of *Hansard,* the minister made a statement on motions announcing the government's intention to invite briefs outlining the views of the provinces, the territorial governments, members of parliament and interested groups on matters relating to future Canadian immigration policy. This green paper on immigration was to be followed by a national conference on immigration population under the sponsorship of the Department of Manpower and Immigration. The end result of this procedure was forecast by the minister at page 6611 of *Hansard,* where he said:

> The end result at which we are aiming is a comprehensive policy, to be expressed in new immigration legislation for submission to parliament.

As far as I am concerned, Mr. Speaker, the operative words are "for submission to parliament". The target date, as recorded in *Hansard* at page 6611 and as expressed by the minister, was "next spring". That statement was made on September 17, 1973. In reply to a question which I put to the minister on October 2, in this thirtieth parliament, regarding publication of the green paper on immigration, the minister replied, as recorded at page 36 of *Hansard:*

> Mr. Speaker, I do not think I was so precise as to say it would be tabled in the spring; I expressed hope that we would have it by the summer, and this might have been the case but for the election which was concluded in July.

Yesterday the Leader of the Opposition (Mr. Stanfield) asked the Prime Minister if a decision had been made regarding changes in immigration regulations, and the Prime Minister replied, as recorded at page 440 of *Hansard:*

> As to any interim measures taken before then, all I can say at this moment is if any announcement is to be made it will be made by the government in this House.

The ink was barely dry on yesterday's *Hansard* when the Minister of Manpower and Immigration made a statement on this question, not in this House, not even in this country but outside its borders, directly refuting the words of the Prime Minister. In that statement the minister made it clear that the new immigration regulations and the legislation he was proposing would be non-discriminatory, would depend upon job availability, and the unification of separated families was not to be threatened.

In pointing this out, Mr. Speaker, I am not necessarily objecting to the proposed changes. This question is of interest to all Canadians and affects our future growth, the use of our natural resources and the type of country in which we will live, yet the Prime Minister and his government continue to ignore the rights of this House by making statements outside the House when in fact they have given assurances that such statements will be made inside the House.

I raise this question because it affects myself and every member of this House respecting our right to receive factual information from this government or, for that matter, from any other government. Mr. Speaker, if you find that I have a prima facie case of breach of privilege, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

> That all matters pertaining to the Prime Minister's and the Minister of Manpower and Immigration's continuing practice of making conflicting statements both inside the House of Commons and outside the House of Commons respecting the release of the government's green paper on immigration be referred to the committee on privileges and elections for study and report.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member, as he said at the outset, gave the Chair notice of his intention to raise a question of privilege. The notice was sufficient to conform with the Standing Orders but, regrettably, it did not in any way inform the Chair of the nature and substance of the question of privilege to be raised. Accordingly, I am ruling at the moment on the basis of having glanced at it for the first time this very minute.

It is, of course, a matter of concern to hon. members whether statements made in the House of Commons, or outside, are correct. It is, indeed, a matter of great importance to the nation. However, while it may be a matter of great importance and validity, and while it may be a very valid matter for discussion and debate either inside or outside the chamber, the fact is that whatever disadvantage such question may bring to one side of the House, or advantage—in the political sense—to the other side of the House, when such occurrences do take place or are alleged to have taken place they do not, under my understanding of the rules of privilege of the House of Commons, constitute a prima facie case of privilege.

I say, again, that these may be matters of importance and concern and matters for discussion and debate as, indeed, all such questions are. But I cannot see that they are matters which affect, in the general sense, the ability of hon. members to function as members of parliament, or

affect their freedoms and privileges. Accordingly, I must find that there is not, in the circumstances, a prima facie case of privilege.

Mr. Rodriguez: Mr. Speaker, just before the close of the sitting yesterday the hon. member for Lethbridge (Mr. Hurlburt) made remarks which I feel should never have been allowed to be uttered without challenge. In other words, there was disorder in the debate. It is my understanding that it is not permissible for hon. members to cast aspersions on the character and integrity of members of this House. I would ignore the petty insult to myself personally, but I cannot ignore the gross and unjust insult to my constituents and to every Canadian born outside this country.

Some hon. Members: Hear, hear!

Mr. Rodriguez: Nor can I ignore the insinuation, offensive to every teacher in this country, that as a member of the teaching profession one makes no useful contribution to our economy and society. We place great importance on the material trappings and traditions of this House. For example, one does not touch the mace. I submit that personal insults about one's background and personal contribution to this country should never be permitted. I call upon Your Honour to take appropriate action in having the hon. member for Lethbridge retract those slurs and scandalous remarks.

Some hon. Members: Hear, hear!

Mr. Hurlburt: Mr. Speaker—

Mr. Speaker: Order, please. Without being persuaded of the validity of the point of order at hand, for a number of reasons, I do see at least one other hon. member who wishes to make a contribution on the same point of order, if it be such. As I say, we are in difficulty. Hon. members are aware, of course, that a point of order, if it is to be raised, must be raised at the moment it arises. Nonetheless, I recognize the importance of the subject under discussion. However, at the moment the alleged disorder occurred in the House, the hon. member who has just spoken and who was the target of the remarks which have been put in question was, in fact, in the House. In addition, not only was he present during the course of that discussion but he followed the hon. member for Lethbridge (Mr. Hurlburt) in the debate and did not take the opportunity to raise the point of order at that time.

Under the rules of the House, if one thing is absolutely clear it is that if a point of order is to be raised, it must be raised immediately the alleged disorder occurs. Accordingly, I have some reservations on the point. In any case, I will recognize the hon. member for Lethbridge on the same point of order and hear him before deciding.

Mr. Hurlburt: Mr. Speaker, my point of order is this. I think if hon. members refer to my comments of yesterday they will find I said that the hon. member for Nickel Belt (Mr. Rodriguez) came to this country from Guyana some 14 years ago; he was educated here and makes his living here. I think he should be thankful that he lives in a country such as Canada, and he should not continue to get union organizations riled up in order to be elected.

[Mr. Speaker.]

Some hon. Members: Oh, oh!

● (1420)

Mr. Speaker: Order, please. I can only reiterate my earlier remarks. The point of order, if it is being raised, ought to have been raised, in order to conform with our standing orders, at the moment the alleged disorder occurred. I feel the subject is closed. There is not a valid point of order. Accordingly, I feel we must go on to Routine Proceedings.

Mr. Rodriguez: Mr. Speaker, when this occurred yesterday afternoon, it was about two and a half minutes before the closing hour. I must admit I was taken completely by surprise that any member of this House would stoop so low. I must admit that I am not familiar with all the procedures in this House. However, I am aware of personal insults.

Second, I do not see what the agitation of unions had to do with the debate. We were debating the Speech from the Throne. I do not see what remarks about where I came from, and what I do in this country, have to do with a throne speech debate.

* * *

PRIVILEGE

MR. KNOWLES—REFERENCE TO REMARKS OF MEMBER FOR LETHBRIDGE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as Your Honour knows, I gave you notice under the rules that I wished to raise a question of privilege with regard to the remarks made last evening by the hon. member for Lethbridge (Mr. Hurlburt). In a sense, the point has been aired. As a member of this House, I still feel I should, as a matter of privilege, object to the suggestion that because a member of this House was born in Guyana or anywhere else outside of Canada, it is, to quote the hon. member, a sad day for Canada that he has become a member of parliament.

Some hon. Members: Shame.

Mr. Knowles (Winnipeg North Centre): I suggest that the strength of this country lies in the fact that we have drawn people from all cultures and all countries, and I believe this House of Commons should say that to the hon. member for Lethbridge.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. On the question of privilege, the hon. member did, of course, give me notice. As the hon. member well knows, his question of privilege has not been followed by a motion. Therefore, it does not call for any action by the Chair. Under the circumstances, I do not propose to rule as to whether there is a prima facie case because it does not matter. The fact is there are very clear precedents as to what limits an hon. member may go in imputations against another hon. member. Under the circumstances, whatever place they may or may not be in, it is questionable whether it constitutes a question of privilege. In any event, no action is called for by the Chair

under the circumstances. I feel the matter has been properly aired.

ROUTINES PROCEEDINGS

[*Translation*]

FISHERIES

TABLING OF ANNUAL REPORT OF CANADIAN FISHERIES RESEARCH BOARD

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, under Standing Order 41(2), I wish to table in both official languages the annual report of the Fisheries Research Board of Canada for 1973.

* * *

[*English*]

AGRICULTURE

TABLING OF REPORT OF FARM PRODUCTS MARKETING COUNCIL ON EGG MARKETING

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table in both official languages the report of the Farm Products Marketing Council, as dealt with by the Food Prices Review Board, a study on eggs.

Mr. McGrath: You didn't give us much time to look at it.

* * *

BUSINESS OF THE HOUSE

SUGGESTED PROCEDURE ON MOTION TO ESTABLISH SPECIAL COMMITTEE ON EGG MARKETING

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, yesterday when announcing the business before the House for the coming week, I expressed the hope that by unanimous consent we could agree to debate the establishment of the committee to investigate egg marketing today. I would now like to read the motion that I hope has been agreed to among the House leaders and ask for consent that it be taken under consideration immediately after Oral Questions. The motion is as follows:

That a special committee of fourteen members be appointed to inquire into and report upon, with its recommendations, if any,

(a) the operations of the Canadian Egg Marketing Agency, and

(b) the performance of the several authorities having responsibilities with respect to those operations

That the members of the said committee be Mrs. Appolloni and Messrs. Anderson, Cafik, Dionne (Northumberland-Miramichi), Fox, Goodale, Gray, Lambert (Bellechasse), Lawrence, Lessard, Mazankowski, McGrath, Murta and Orlikow.

That the said committee have power to send for persons, papers and records and examine witnesses; to sit when the House is sitting; to sit during periods when the House stands adjourned; to report from time to time and to print such papers and evidence from day to day as may be deemed advisable; to delegate to sub-committees all or any of their powers except the power to report direct to the House; and to engage the services of such expert staff as may be deemed necessary.

And that the said committee be instructed to make its reports to this House no later than December 16, 1974.

Mr. Speaker: Order. The House has heard the text of the motion. The President of the Privy Council seeks unanimous consent not only to introduce the motion at the present time but also to transfer it to government orders for consideration as the first order of business later this day. Is the House agreed?

Some hon. Members: Agreed.

* * *

SOCIAL SECURITY

SUGGESTED PAYMENT OF PENSIONS TO ALL PERSONS BETWEEN AGES 60 and 65—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave of the House to present a motion under Standing Order 43. The urgency of the motion arises from the fact that many members are receiving numerous letters from persons between the ages of 60 and 65 who feel it is unfair that they are being left out of certain proposed legislation. I therefore move, seconded by the hon. member for Greenwood (Mr. Brewin):

That the Minister of National Health and Welfare be requested by this House to reconsider the terms of the proposed bill for the payment of old age security to spouses between the ages of 60 and 65 only in those cases where the other spouse is a pensioner and only on the basis of an income test, and that he give consideration to the introduction of a bill to provide for old age security to be paid to all persons between 60 and 65 who are out of the labour market.

Mr. Speaker: Again, I must say I have grave reservations about the acceptability of such a motion. The House is aware that under the Standing Order, the motions under Standing order 43 require the unanimous consent of the House but there is a tendency to overlook the fact that the order also requires that they be proposed as matters of urgent and pressing necessity. A request of this sort, to ask the government to consider changes in legislation in relation to something which might be done in the future, raises serious doubt in my mind as to whether it qualifies under the Standing Order as being of urgent and pressing necessity. Today, I propose to resolve that doubt in favour of the proposer of the motion, but I give notice that in future I shall give careful consideration to whether or not such motions qualify under the other aspect of the rule.

● (1430)

Under the circumstances, the motion being proposed under Standing Order 43 requires unanimous consent before it can be debated. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be proceeded with at this time.

Energy

AGRICULTURE

SUGGESTED NEED FOR IMMEDIATE AID TO BEEF PRODUCERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43. The urgency of my motion arises from the hardships faced by beef producers in this country which are forcing them out of business, and from the fact that the prairie governments have had to announce assistance programs of their own in the last few days in order to keep these producers in business. Therefore I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House requests the Minister of Agriculture to announce forthwith a program to provide immediate assistance to beef producers.

Mr. Speaker: The House has heard the terms of the motion proposed under Standing Order 43 requiring unanimous consent of the House for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be proceeded with at this time.

MOTION TO ADJOURN UNDER S.O. 26

[*Translation*]

ENERGY

SUGGESTED CONTINUATION OF DAYLIGHT SAVING TIME TO CONSERVE ENERGY

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to move a motion under Standing Order 26(2).

Since our economy is eroded by inflation which we are trying to fight by all possible means, I consider that to cope with that unfortunate situation while living under the sun as during the Second World War and while saving millions of barrels of oil to say nothing of electricity and since the experience of our southern neighbours was conlusive as 2½ per cent of energy was saved, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House adjourn its proceedings to discuss a matter of urgent necessity, to wit: the passage of a measure to maintain the Daylight Saving Time and that it take the ncessary steps to that effect.

Mr. Speaker: Order. The hon. member for Rimouski gave the Chair the required notice thus enabling the Chair to study the motion carefully.

There is not doubt that the problem brought forward in the motion, that is, inflation, as well as the conservation of energy, is important. On the other hand, the problem itself and the suggestion of the hon. member for Rimouski have already been discussed repeatedly in the House before. I therefore feel the matter is not urgent. The Chair is aware that Daylight Saving Time will be discontinued at the end of the month, but as this happens every year it does not constitute a matter of pressing necessity as standing orders require.

There are two other difficulties as well. First of all, I have doubts on the matter of jurisdiction. Second, the program of the House has already allowed the hon. member to bring up his suggestion, that is during the debate on the Speech from the Throne; in fact he will also have a chance to do so later on, that is in the last three days of next week.

I therefore regret having to advise the hon. member that the Chair feels that it cannot accept his motion under Standing Order 26.

Mr. Allard: Mr. Speaker, while respecting your decision, I still want to point out to the House how important it is for our country to maintain Daylight Saving Time throughout the year. I suggest the government should introduce legislation to that effect: we will support it eagerly.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

NATURE OF CANADIAN PROPOSALS TO EUROPEAN ECONOMIC COMMUNITY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I put a question to the right hon. Prime Minister which arises out of his indication in the House the day before yesterday, I think it was, that his government has submitted an aide memoire to the European Economic Community containing proposals to the community. I wonder whether the right hon. gentleman would table the aide memoire, or if the aide memoire is considered to be confidential, whether he would indicate to the House the general nature of these proposals and the form of association with the European Economic Community that the government is proposing. I ask this question in view of the possibly far-reaching consequences of this matter to the people of this country.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is something in the aide memoire which is a negotiating position of the Canadian government vis-à-vis the community. I am not certain without reflecting further on the suggestion whether it would help or hinder the negotiating position of the Canadian government, but I will gladly look into the suggestion and if no possible disadvantage can come to Canada from making the aide memoire public I will discuss the matter with my colleague the Secretary of State for External Affairs.

Mr. Stanfield: A supplementary question, Mr. Speaker. Would the Prime Minister indicate the general nature of the proposals that are being put forward? As I understand it, the matter is urgent in the sense that the Prime Minister is going to hold discussions. Is the country to be faced with a fait accompli of far-reaching consequences, or are these relatively routine proposals that we can safely leave

to the government to deal with without any necessity for general discussion?

Mr. Trudeau: Mr. Speaker, the objective of the proposals is obviously directed toward the improvement of relations between Canada and the European community. That is the general nature of them. As to the details of the proposals, I refer to my previous answer: it is possible that it would not be to the advantage of Canada to make them the subject of public discussion at this time. However, I will gladly look into the matter.

Mr. Stanfield: A further supplementary question, Mr. Speaker. I do not want to be too persistent, but is the government proposing some form of special association with the European Economic Community?

Mr. Trudeau: No, Mr. Speaker, that is not the intention. The agreement that is suggested is a trade agreement, the intent of which is to improve trade relations between Canada and the European community. There is a procedure for consultations proposed, but there is nothing as far reaching as the hon. gentleman suggests, and certainly nothing discriminatory against any other group of nations.

I might add that when I return from my visit to Europe I will be making a statement at some point in the House, if the House so desires, and the House will be informed of the nature of the discussions and the progress that has been made. I can assure the hon. gentleman that there will be no final position taken on any type of agreement of which he seems to be afraid without any report to the House.

EFFECT OF CANADA'S ATTITUDE TOWARDS NATO ON POSSIBLE AGREEMENT WITH EUROPEAN ECONOMIC COMMUNITY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question. As the unwillingness of the European Economic Community to grant Canada preferential trade treatment, which was very fully reported in this morning's press, has been materially increased by this government's attitude toward helping to maintain world peace through NATO, is the government planning to adopt a more positive attitude toward NATO in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government's position on NATO has been stated previously on many occasions, and I do not think the hon. member can say as much for his own party.

* * *

FOOD PRICES REVIEW BOARD

NATURE OF PROPOSED EXTENSION OF POWERS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. The minister recently suggested that the powers of the Food Prices Review Board were going to be extended. I wonder whether the minister would inform the House whether or not this extension is going to include the authority to order roll-backs of price increases when they are found to be unwarranted, and if not, why not?

● (1440)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the answer is no.

[*English*]

CONTINUATION AND POSSIBLE EXTENSION OF WEEKLY PRICE SURVEYS

Mr. Edward Broadbent (Oshawa-Whitby): I have a supplementary, Mr. Speaker. The minister's answer is consistent with other aspects of government policy. Can the minister inform the House whether or not the useful weekly survey of the Food Prices Review Board in the Ottawa area, which has had some effect subsequently in bringing down prices which one hopes is not a temporary situation in this area, will be extended to other parts of Canada.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): This was a pilot project, Mr. Speaker, and I am very glad of its success. It serves to prove that this board is indeed making a useful contribution, and I hope it will be possible to extend this type of investigation to other Canadian towns.

[*English*]

ALLEGED FAILURE OF RETAILERS TO REFLECT LOWER BEEF PRICES—REQUEST FOR INVESTIGATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the minister is at least batting 500. I have a final supplementary for the minister. In view of the fact that there is some evidence available now that the low prices paid to farmers for their beef products have not been reflected in the retail prices, would the minister take steps to have the Food Prices Review Board review the discrepancy between these prices?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): This matter is under review, Mr. Speaker. I am working in close consultation with my colleague, the Minister of Agriculture, and I expect a useful decision will be taken in the near future.

[*English*]

NATURE OF PROPOSED EXTENSION OF POWERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, yesterday outside the House the minister enlarged on an answer he gave me in the House in respect of any restriction placed on the Food Prices Review Board and at that time outside the House said it was planned to further extend the powers of the board. Is he in a position to tell the House precisely what he had in mind with regard to these renewed powers or new powers for the board?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I suggest the intention was to incorporate certain sentences in the Speech from the Throne to explain the activities of the board. These explanations were not intended to limit in any way the responsibilities and powers of the board. It is unfortunate that someone reading the Speech from the Throne may have inferred that the purpose was to limit the board's terms of reference. I have insisted that it was absolutely out of the question, indicating that I wanted to see the board cope with all sorts of assignments.

I feel that within its terms of reference, there is much the board can achieve. Its terms of reference need not be extended to make it more active.

* * *

HEALTH

SUGGESTED USE OF WINE IN PLACE OF MILK

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

Since the recent increase in milk prices, ministers have suggested different measures to Canadian consumers. The Minister of Agriculture has advocated drinking wine instead of milk because it is cheaper. For the same reason, the Minister of National Health and Welfare has recommended drinking powder milk. Does he think it is as nourishing as natural milk and could he tell us how to have newborn babies drink wine instead of natural milk?

Hon. Marc Lalonde (Minister of National Health and Welfare): As minister responsible for the status of women, I will consider the second part of the hon. member's question.

As to the first part, Mr. Speaker, I never did recommend anything, I just said what my family and I do to reduce the price of our milk consumption.

[*English*]

Mr. Whelan: Mr. Speaker, on a point of order—

Some hon. Members: Oh, oh!

Mr. Speaker: The Minister of Agriculture rises on a point of order.

Mr. Whelan: Mr. Speaker, if I heard the hon. member correctly—and if I did not I apologize—I think he suggested that I suggested that wine could take the place of milk. I never suggested that at any time. No one in his right mind would suggest that wine could take the place of milk. I did say, however, according to some surveys which have been taken, that wine could do some good for people who suffer from iron deficiency.

Some hon. Members: Hear, hear!

Mr. Whelan: It also contains Vitamin C and I think Timothy said, if you look in the good book, that wine is good for your stomach and other ailments from which you might suffer. I also said that wine and beer could be made easier than milk. No scientist nor engineer has yet invented anything better than a cow which can transfer roughage into a healthful food on which man could sustain life if necessary.

[*Translation*]

Mr. Speaker: Order, please. I must allow, I am sure, the hon. member for Témiscamingue to ask at least a supplementary.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare.

A moment ago, the minister said that due to poverty he uses powder milk at home. Since the minister was saying this on a point of order, would he tell us whether he intends to suggest the use of powder wine?

[*English*]

Mr. Whelan: Mr. Speaker, the grape industry in Canada is very important as also is the wine industry. Wine is imported into this country in concentrated form and I have several reservations about that.

RECOMMENDATIONS OF SCIENCE COUNCIL ON IMPROVEMENT OF HEALTH CARE AND INCREASE IN RESEARCH GRANTS—GOVERNMENT POSITION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, within the last four years the Science Council recommended to the government the shake-up of the health care structure to improve medical and health care services to all Canadians and also recommended an increase in medical research funds. My question directed to the Minister of National Health and Welfare is the following: because the delivery of medical and health care services has already collapsed for many low income Canadians and because many important research programs have already been cut, can we expect the minister in particular and the government in general to act immediately on these recommendations.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, if the hon. member will take the trouble to read the document I tabled in the House which is entitled: "A New Perspective on the Health of Canadians", he would find many recommendations that have been made along the line of those contained in the Science Council of Canada report.

* * *

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR ASSURANCE NO REDUCTION IN NATO FORCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Prime Minister. In light of the statement made by the Minister of National Defence that there will be a reduction in numbers of the Canadian armed forces, will the Prime Minister give this House assurance that he will not take any steps next week while

in Europe which would lead to withdrawal of our NATO forces in that area?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker.

* * *

● (1450)

IMMIGRATION

POSSIBILITY OF INTRODUCTION OF LEGISLATION BEFORE PUBLICATION OF GREEN PAPER—GOVERNMENT POSITION

Mr. Jake Epp (Provencher): Mr. Speaker, I have a question for the Prime Minister. Yesterday the Prime Minister stated that any interim measures to change immigration regulations would be announced by the government in the House. Later he stated that the opposition could express its point of view if the government makes a statement on motions on the subject. In the light of the statement made by the Minister of Manpower and Immigration yesterday, has the government changed its position and will any significant interim changes in the immigration policy be undertaken by the government which will be debated in the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to inquire if there will be legislation before the green paper. I understand from the House leader that there might be one small bill, but of course it will be brought to the House and debated here. I do not quite see the relevance with regard to the exchange yesterday, but perhaps I did not understand the purport of the hon. member's question.

Mr. Epp: Yesterday the Prime Minister was asked very clearly as to whether legislation would be brought to the House respecting any changes that are proposed by the government on the immigration policy. For some time now the government has carried on a study in preparation of the green paper.

Mr. Speaker: Order, please. Has the hon. member a supplementary question to pose to the Prime Minister and, if so, will he please pose it, otherwise we should be getting on to another question?

Mr. Epp: I asked the Prime Minister whether, in view of the fact that the green paper has been completed, any legislation making significant changes in the present policy on immigration will be introduced in the House prior to the publication of the green paper.

Mr. Trudeau: Yes, Mr. Speaker, as I indicated, there will be a very small bill on another subject than those which were discussed yesterday. But I must correct the hon. member with regard to something he said. The green paper is not completed, as he seems to assume. It will be completed in due course and brought before parliament.

[*Translation*]

ADMINISTRATION OF JUSTICE

POSSIBLE ABOLITION OF CONTEMPT OF COURT PROCEEDINGS—GOVERNMENT POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to put a question to the hon. Minister of Justice, to whom I gave notice of my question so that he may give me a more complete answer.

My question concerns the appearance this morning before the Committee of Justice and Legal Affairs of Mr. Justice Patrick Hartt, the excellent chairman of the Law Reform Commission.

Is the minister ready to give the green light to the commission which wants to go ahead and make a priority study of a very current issue, the abolition of contempt of court proceedings, which the Chief Justice of the Superior Court of Quebec, following the example of many others in the past, including the right hon. Prime Minister and myself, have condemned as being outmoded and unfair?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I know that the commission itself will be willing to give consideration to including this important subject in its future workload and if I thought it wise to do so I certainly would not stand in the way of it accomplishing the task.

[*Translation*]

REQUEST FOR STUDY OF SUPREME COURT JUDGMENT ON USE OF SEARCH WARRANTS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to ask a supplementary.

Have the assistants of the minister already studied or do they intend to study the impact and the effect of a judgment given recently by the Supreme Court to the effect that from now on the police forces may enter a residence and make a search without a search warrant, simply on the strength of information received?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the hon. member very kindly gave me notice of his earlier question but not of the so-called unrelated supplementary. However, I will be delighted to look into the matter and see if I have any comment to make to him on it.

* * *

INDIAN AFFAIRS

MINISTER'S POSITION ON LAND CLAIMS OF STONEY BAND IN ALBERTA—REQUEST FOR SIMILAR TREATMENT FOR JAMES BAY INDIANS

Miss Flora MacDonald (Kingston and the Islands): My question is for the Minister of Indian Affairs and Northern Development and it refers to the advice which he offered earlier this week to the premier of Alberta regarding the land claims of the Stoney Indian band of Alberta. In view of the fact that the minister stated that the federal government is satisfied that the claim is valid

and that the province of Alberta should turn the land over without going through the courts, would the minister say whether he has offered similar advice to the premier of Quebec regarding the land claims of the James Bay Indians.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, there are two different acts involved here, one for Alberta and one for Quebec, and the situation is different in each case. I am optimistic that the situation in Quebec will be resolved very soon in a satisfactory fashion. As far as the situation in Alberta is concerned, it is our understanding that it is the responsibility of the provincial government to turn back to us, the federal Crown land needed so that we can extinguish the acknowledged claim of the Indian people.

SUGGESTION MINISTER CONVEY HIS VIEWS ON INDIAN LAND CLAIMS TO PREMIER OF QUEBEC

Miss Flora MacDonald (Kingston and the Islands): I have a supplementary question, Mr. Speaker. I want to thank the minister for his explanation with regard to the situation in Alberta, but given the fact that Mr. Justice Malouf in his ruling stated that the evidence shows that the rights of the Cree Indians and Innuit population of the James Bay area have never been extinguished, would the minister undertake to convey to the premier of Quebec immediately his stand on Indian rights vis-à-vis the provincial jurisdiction so that we can have a uniform approach to this question in all parts of the country?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think the premier of Quebec is well aware of the stance of this government on that matter, and that is the reason for which we have been supporting the Indian and Innuit groups in Quebec. As I said earlier, I am optimistic that the matter will soon be resolved in a satisfactory fashion.

* * *

AGRICULTURE

REQUEST FOR FEDERAL AID TO WESTERN BEEF PRODUCERS

Mr. Lorne Nystrom (Yorkton-Melville): My question is for the Minister of Agriculture. In view of the fact that the three prairie governments have been forced to announce cash assistance programs for the cow-calf operators and in view of the call by the western premiers for federal assistance, I should like to ask the minister now whether or not he will match the provincial programs or whether or not he will be announcing immediately some forms of assistance to the western beef producers.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, with regard to what the hon. member has said about the western provinces, I understand that two of them have taken action to assist the beef producers.

An hon. Member: No, three.

Mr. Whelan: According to the information I have, it is two. I must remind hon. members that I must act for all these beef producers in Canada. They made a decision on their own; it is up to them, and I know that they are taking that decision on account of the feed stabilization program which we have initiated several weeks ago on our own.

Mr. Nystrom: In view of the fact that they took the action because of the lack of any federal action, I should like to ask the minister the following question. In view of the many statements he made about stabilizing farm income, can he give us a commitment in the House that in the next week or two he will be doing something, or is it all just rhetoric?

Mr. Whelan: If and when any action is taken it will be on behalf of all beef producers of Canada. I cannot make an exception for one, two or three provinces. There are ten provinces and they all produce beef. Ontario is the largest beef producer in the nation, but they have not asked for that kind of action.

* * *

[*Translation*]

HOUSING

NEED FOR ADDITIONAL FUNDS FOR CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask a question of the Minister of State responsible for Urban Affairs.

The minister is well aware that the lack of appropriate housing for our fellow citizens remains a major problem.

Since the budget of the Central Mortgage and Housing Corporation is now exhausted as concerns the financing of existing houses, and has been for some time, can the minister tell us if he was aware of this, and if so, what does he intend to do to obtain more funds to solve this problem?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, the program has been tremendously successful, the most successful in the field of housing ever engaged upon by any government. Fortunately, the resources virtually lasted until the end of this building season so we should be able to continue with the maximum number of building starts. I expect to develop new programs or modifications of the existing program that will improve it still further and provide more starts next year when they will be needed at the beginning of the building season.

[*Translation*]

Mr. Fortin: Mr. Speaker, a supplementary question. With regard especially to the financing of existing houses for low-income people, has the minister any specific plans to carry out this program?

[*English*]

Mr. Danson: I am afraid I cannot announce anything specific for existing housing at this time. As the hon. member knows, AHOP did cover existing housing, but it has proved so popular and funds were being used up

so fast that I thought it far more important to ensure that these funds be used to provide additional housing stock which should help everyone down the line.

* * *

● (1500)

AIR TRANSPORT

REQUEST FOR SERVICE BETWEEN EASTERN SASKATCHEWAN AND WESTERN MANITOBA—APPLICATION OF TRANSAIR FOR JET SERVICE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Transport arising from the cancellation of the air service into eastern Saskatchewan and western Manitoba last January by the Air Transport Committee with the approval of the government. In light of the promise made by the Prime Minister at his famous airport conference in Winnipeg on May 23 that this service would be restored and upgraded in the interest of development and employment opportunities, can the minister inform the House when this promise will be implemented.

An hon. Member: In the next four years.

Hon. Jean Marchand (Minister of Transport): That is a fair assumption, Mr. Speaker. First, we have to buy two Saunders from the Manitoba government, something I signed for this morning, so we are in the process of achieving or realizing this promise.

Mr. Dinsdale: A supplementary, Mr. Speaker. Now that we are getting action on this matter at long last, would the minister also urge the ATC to consider immediately, or at the earliest opportunity, the application of TransAir to bring jet service into this region?

Mr. Marchand (Langelier): Mr. Speaker, the hon. gentleman knows very well the relationship between the CTC and the Department of Transport. This decision has to be taken by the Transport Committee of the CTC, not by the Department of Transport.

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FISHERIES

REQUEST FOR REVIEW OF OPERATIONS OF FRESHWATER FISH MARKETING CORPORATION

Mr. Dean Whiteway (Selkirk): Mr. Speaker, this is my first question in the House and I am sure you can understand that I am nervous. I have never talked to the Prime Minister before.

An hon. Member: Neither has anybody else.

Mr. Hees: You will not get any answers either.

Mr. Whiteway: My question is related to fisheries but I am going to aim high and direct it to the Prime Minister. In view of the fact that the livelihood of the fishermen in the Northwest Territories, Saskatchewan and Manitoba is in jeopardy, would the government undertake to review immediately the activities of the Freshwater Fish Marketing Corporation and in particular the activities of the processing plant in Transcona with the objective of moving the facilities to Selkirk and/or Gimli.

Some hon. Members: Hear, hear!

Mr. Whiteway: There is another little part, Mr. Speaker.

Mr. Speaker: Order, please. While I am most anxious to accommodate the hon. member on his first question, I do wonder about the patience of the other members who might not have asked their first question or might like to get on to some of the other business.

Mr. Whiteway: Mr. Speaker, I was trying to mimic the Minister of Finance, and thought I could sneak in a little speech as well. In view of the fact that the Prime Minister is so often sniffing the thin air around the metaphysical peaks of political intellectualism—

Some hon. Members: Oh, oh!

An hon. Member: Very true.

An hon. Member: You blew it!

An hon. Member: You started well and finished quick.

An hon. Member: That was the punch line.

An hon. Member: He never heard of Gimli.

SUGGESTED CHANGE IN OPENING AND CLOSING DATES OF TUNA SEASON—GOVERNMENT POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, a question for the Minister of Fisheries and may I add my congratulations on his appointment. Can he advise if he is giving sympathetic and favourable consideration to the request of the tuna sports fisheries group in Prince Edward Island for a delay in the opening and closing dates of the Gulf tuna season, thereby giving a boost to the tourist and fishery industry of the province?

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, any question put by the hon. member would always receive favourable and sympathetic hearing. I have heard the arguments in favour of changing the opening and closing of the tuna season and I think there are valid arguments. I have asked that the fishermen and charter boat operators be fully consulted before a firm decision is made and this process is under way.

* * *

FOOD PRICES REVIEW BOARD

POSSIBLE EXTENSION OF TERMS OF REFERENCE TO INCLUDE MERCHANDISE OTHER THAN FOOD

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs following upon the question put by the hon. member for St. John's East. In this consideration of expanding the terms of reference of the Food Prices

Review Board and redefining its role, is the minister giving consideration to having the terms of reference apply to merchandise other than foods that are bought in supermarkets, such as health and personal care products. People of Canada are amazed at the spread in prices for like products and it appears there is some discrepancy in this area.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Not for the moment, Mr. Speaker.

* * *

[*English*]

IMMIGRATION

METHOD OF CHANGING REGULATIONS—OPPORTUNITY FOR MEMBERS TO EXPRESS OPINIONS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question for the Prime Minister is on the subject of immigration. In light of the importance of the present immigration situation, would the Prime Minister give his assurance that the changes in regulations will be made by resolution and that proper notice will be given in order that the House will have the opportunity to express its opinion on these measures?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the second part of the question I would refer the hon. member to my answer of yesterday that if a policy change is going to be made on an interim basis it will be announced in the House and the opposition will have occasion to express itself on those changes. On the second part of the question, the intention would not be to proceed by way of resolution but under the authority of the act which enables and empowers the government to make regulations.

* * *

SPORTS

MONTREAL OLYMPICS, 1976—AMOUNT OF REVENUE ANTICIPATED FROM SALE OF COINS—PAYMENT OF COMMISSION OR DISCOUNT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Posmaster General I shall direct my question to the former Postmaster General, the Minister of Consumer and Corporate Affairs. I have reference to the report filed two days ago by the Postmaster General with respect to the sale of Olympic coins which, incidentally, bear the name of the present Minister of Consumer and Corporate Affairs, where it is stated that the revenue anticipated from the sale of the coins will be $644 million. I wonder if the minister could reconcile that with the fact that the act clearly prohibits the sale of any Olympic coinage in excess of $450 million?

[*Translation*]

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): Mr. Speaker, on behalf of the minister who had to leave the House, I take notice of this question. As soon as tomorrow he will get a satisfactory reply.

[Mr. Marshall.]

[*English*]

Mr. Stevens: Mr. Speaker, a supplementary question which perhaps the parliamentary secretary could also refer to the minister. In the same report it is stated that no commission, discount or other advantage is to be allowed or given by the Postmaster General to any distributor with respect to Olympic coinage. I wonder if the minister could indicate if he is satisfied that no such advantage or discount has been paid indirectly by COJO or any other group thus ensuring that Canadian coinage is not being discounted around the world?

* * *

HEALTH

RECOMMENDATIONS OF SCIENCE COUNCIL—PARTICIPATION OF PRACTISING PROFESSIONALS IN WRITING REPORT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question to the Minister of National Health and Welfare is supplementary to the question put by the hon. member for Brome-Missisquoi. In view of the charges by the Canadian Medical Association that the Science Council report on health care delivery was largely written by non-practising professionals, what input did practising professionals have in the actual process of the study and in the subsequent recommendations that his department is bringing forward?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I apologize to the hon. member but I missed the last part of his question.

Mr. Ritchie: Mr. Speaker, I should like to know what input practising professionals actually had in the evolving of this report and the subsequent recommendations that the department is adopting?

Mr. Lalonde: Mr. Speaker, I should like to point out to the hon. member that this is a report by the Science Council which is not answerable to me but to the President of the Treasury Board or the Minister of Science and Technology. I am not, therefore, in a position to give the hon. member any information how that council, which is a semi-autonomous body, made arrangements for preparation of the report.

* * *

● (1510)

ENERGY

COAL—AGREEMENT WITH NOVA SCOTIA FOR INVENTORY PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources, who undertook to examine his memory or his files to see whether any proposal has been put forward of a concrete nature by the government of Nova Scotia with respect to the further development of coal mining in Nova Scotia. Can the minister give me that information today?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker. There has been an agreement between the province of Nova Scotia and the federal government, which is represented by my department in a technical capacity and by the Department of Regional Economic Expansion in a financial capacity, for the examination of additional coal deposits in the province other than those now under the jurisdiction of the Cape Breton Development Corporation. In effect there is a coal inventory program under way with regard to possible coal developments in other parts of the province. The estimated cost is about $1.3 million and the time for completion of the inventory will be about three years. As I say, my department will be responsible from the technical standpoint for providing advice under the general financial aegis of the Department of Regional Economic Expansion.

* * *

SOCIAL SECURITY

SUGGESTED PAYMENT OF PENSIONS TO PERSONS BETWEEN 60 AND 65 WHO ARE NO LONGER EMPLOYED

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the justifiable complaints of many persons between the ages of 60 and 65 against the unfairness of their not being included in the proposed legislation regarding pensions, and despite there not being unanimous consent for the motion I moved earlier, will the minister give consideration to reviewing the proposed legislation and make pensions available across the board to those who are out of the labour market.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have already answered that question several times.

[*English*]

When a statement was made announcing this measure, it was made clear that this was an interim measure to help couples, one member of which is over 65. It was stressed that, indeed, the problems to which the hon. member has referred would not be answered under such a formula. The solution is not through bringing about a broad expansion or lowering of general pension benefits to those who are 65, 55 or 50, but through a system of guaranteed income or income supplementation which would be payable to all, regardless of age, condition, or sex.

DATE OF IMPLEMENTATION OF GUARANTEED ANNUAL INCOME

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. As the minister himself has said, the Prime Minister pointed out these defects during the election campaign. Accordingly, can he now say how long the interim period will be before the guaranteed income is implemented across the board?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I refer the hon. member to the working document which was tabled in this House in April, 1973, which suggested a certain time span for implementation of proposals which, I hope, will be agreed to next spring by the provinces before implementation of the recommendations. As to what the timetable will be after that, I am afraid I cannot say specifically at this time.

Mr. Knowles (Winnipeg North Centre): Ten o'clock, Mr. Speaker.

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TRANSPORT

REQUEST FOR EXPLANATION OF APPOINTMENT OF ACTING DEPUTY MINISTER

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Prime Minister. In view of the admission of the Minister of Transport that there is a substantial mess in transportation, can the Prime Minister explain the rationale, if any, of appointing as acting deputy minister of transport a man who has no experience in transportation and whose only claim to fame is that he made a mess of the Prime Minister's 1972 election campaign.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the person alluded to by the hon. gentleman is the one I have in mind, let me say that he was chosen by the Public Service Commission. It is a well known practice that exempt staff of ministerial offices are eligible to examination and acceptance by the Public Service Commission. I cannot see the basis of the complaint.

* * *

INFORMATION

SUGGESTED DISCUSSIONS WITH PRIME MINISTER OF SWEDEN ON FREEDOM OF ACCESS TO GOVERNMENT INFORMATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I ask the Prime Minister, who I assume will be holding discussions with the Prime Minister of Sweden, if he will discuss with that distinguished gentleman the provisions regarding freedom of access to government information which prevail in that country, hopefully as a basis for eliminating the concealment, deviousness and secrecy which afflict this government.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, without conceding the conclusions of the question, I tell the hon. gentleman that guidelines which were adopted were made after careful study of the Swedish practice. We fell that ours are, in every meaningful sense, as liberal as theirs. I would be interested to hear of any other reforms the hon. member might like to import from Sweden.

Mr. Baldwin: On a point of order, Mr. Speaker, may I say to the right hon. gentleman that there is a private member's public bill in my name on the order paper which goes far beyond the practice of this government or the government of Sweden.

Oral Questions

SOCIAL SECURITY

ALLEGED DISCRIMINATION AGAINST SINGLE WOMEN AND WIDOWS OVER AGE 60

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, my question is supplementary to that asked by the hon. member for Winnipeg North Centre to the Minister of National Health and Welfare. It was suggested, I believe, that provision would be made whereby a woman of 60 whose husband is over 65 and receiving a pension will be eligible for the old age security pension. I ask the minister, why is he allowing this discrimination against single women who are over 60 and widows who are over 60.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, if anyone can be accused of discrimination, it is the hon. member, because this proposal will apply not only to wives, but also to husbands below 65 who may be in need. The provision will apply if one of the spouses is over 65 and will apply to both spouses.

As far as the other element of the question is concerned, once more the purpose of this particular measure is to make sure that once the spouse who earns the family income retires, a pension is paid. We want to make sure that the couple is not forced to live on a pension for one only. That is the objective of this piece of legislation and not that of paying pensions to everybody at age 60.

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LABOUR CONDITIONS

APPOINTMENT OF REFEREE UNDER BILL C-12 CONCERNING GRAIN HANDLERS DISPUTE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is for the Minister of Labour and has to do with Bill C-12. Has the minister appointed the referee under the terms of that legislation? If so, will he give us the name?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. A colleague of the hon. member's asked the question yesterday, or perhaps on Tuesday, and I replied that Mr. Justice Bayda of the Court of Queen's Bench, Saskatchewan, had been appointed.

Mr. Alexander: Mr. Speaker, I am talking about the referee to be appointed under Bill C-12. I think the minister was referring to the Industrial Inquiry Commission. I am referring to the referee, sir.

Mr. Munro (Hamilton East): No, Mr. Speaker, it has not become necessary to appoint that referee. No word has been communicated to me to the effect that either of the parties that particular dispute is running into difficulty with respect to the interpretation of the collective agreement, as of this time.

REQUEST FOR PUBLICATION OF TERMS OF REFERENCE OF MR. JUSTICE BAYDA

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question, Mr. Speaker. Is there any reason why the full terms of reference under which Mr. Justice Bayda is working cannot be made public at this time?

[Mr. Baldwin.]

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. I will be pleased to give more amplification if that is desirable. As I indicated in the House, those terms will permit him to go into the whole history of labour relations in that particular industry, with a view to making recommendations for improvement and greater efficiency. In essence, that is what they are.

* * *

PUBLIC SERVICE

DISCREPANCY BETWEEN EARNINGS OF GRAIN HANDLERS WORKING FOR PRIVATE COMPANIES AND THOSE WORKING FOR FEDERAL GOVERNMENT

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Labour. Has he consulted with the President of the Treasury Board and attempted to deal with the serious discrepancy which has arisen because of the implementation of the Perry report with respect to grain handlers in Vancouver. The discrepancy is this: Grain handlers working for private companies in the port of Vancouver earn up to $2.50 an hour more than grain handlers working for the federal government in Prince Rupert. These grain handlers work under much more severe conditions. Has the minister discussed with the President of the Treasury Board the possibility of removing this very serious discrepancy?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I do not think it would be appropriate for me to comment on a matter in the labour relations field which does not fall within my jurisdiction. I think the hon. member would be well advised to direct his question to the President of the Treasury Board.

Mr. Oberle: Mr. Speaker, has the President of the Treasury Board considered this serious matter? Has he considered the representations of the Public Service Alliance on regional pay differences and their serious effect upon employees in western Canada in particular?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, all federal government employees are covered by collective agreements. Procedures have been provided for to negotiate working conditions and wages and in the cases mentioned by the hon. member, the procedures apply and will apply and when negotiations take place the points made by the hon. member will then be discussed and agreements reached.

MANPOWER

REQUEST FOR APPLICATION OF LOCAL INITIATIVES PROGRAMS TO SAWMILLS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to direct a question to the President of the Treasury Board.

In view of the problems facing the sawmill industry, which are resulting in the layoff of many workers in my area and elsewhere, could the minister tell the House if he has had representations from his colleague the Minister of Manpower and Immigration to the effect that he might have a more considerable budget so as to allow him to give more grants to a greater number of projects with LIP programs and, if so, will he be receiving a favourable answer?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, this year's budgets have been established and since the month of August we have been asking all departments to try and live within their budget. No such request has come from the Minister of Manpower and Immigration.

GOVERNMENT ORDERS

● (1520)

[*English*]

AGRICULTURE

EGGS—COMMITTEE STUDY OF OPERATIONS OF CANADIAN EGG MARKETING AGENCY AND AUTHORITIES RESPONSIBLE THERETO

Mr. Speaker: The President of the Privy Council (Mr. Sharp), seconded by the Minister of Transport (Mr. Marchand), moves:

That a special committee of 14 members be appointed to inquire into and report upon, with its recommendations, if any,

(a) the operations of the Canadian Egg Marketing Agency, and

(b) the performance of the several authorities having responsibilities with respect to those operations.

That the members of the said committee be Mrs. Appolloni and Messrs. Anderson, Cafik, Dionne (Northumberland-Miramichi), Fox, Goodale, Gray, Lambert (Bellechasse), Lawrence, Lessard, Mazankowski, McGrath, Murta and Orlikow;

That the said committee have power to send for persons, papers and records and examine witnesses; to sit when the House is sitting; to sit during periods when the House stands adjourned; to report from time to time and to print such papers and evidence from day to day as may be deemed advisable; to delegate to sub-committees all or any of their powers except the power to report direct to the House; and to engage the services of such expert staff as may be deemed necessary;

And that the said committee be instructed to make its report to this House no later than December 16, 1974.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I had hoped the Minister of Agriculture (Mr. Whelan) would follow the usual custom and practice of the House by rising in his place to formally propose this motion and speak in support of it. Perhaps the minister will honour us with his remarks later in the debate. In any event, it is rather unusual for a minister not to stand in his place and formally propose a motion to set up a special committee of

the House to examine into and report upon the operations of the Canadian Egg Marketing Agency.

On August 28 last, following the release of the second report on egg prices by the Food Prices Review Board, I issued a press release on behalf of the official opposition calling for a parliamentary inquiry into the whole matter of egg marketing in Canada and the rather startling disclosure which had been made at that time, namely, that some nine million eggs had to be destroyed because they had been allowed to rot in storage. I remember saying at that time that I thought it rather strange that these startling revelations should come so soon after the federal general election. I said then, and I repeat now, that this affair has all the elements of a deliberate cover-up.

When the Minister of Agriculture was carrying out his crusade and visiting rural constituencies in this country campaigning on behalf of the Liberal Party, millions of eggs were rotting in storage. It should be noted, Mr. Speaker, that was at a time when Canadians were paying record high prices. I submit the evidence clearly indicates the minister was aware of that situation. I said this situation has all the elements of a cover-up. It was a cover-up carried out to protect the Minister of Agriculture and to ensure Liberal votes in rural Canada. That is the only conclusion one can draw. However, if you are going to try to cover up rotten eggs, it is only fair to suggest that it is pretty hard to conceal the stench.

Some hon. Members: Hear, hear!

Mr. McGrath: The revelations of last August shocked Canadians. At that time, Canadians were even beginning to accept high prices for eggs as a fact of life. Nevertheless, they were, and are shocked over that and subsequent revelations.

This committee inquiry which was originally called for by the official opposition will, in my opinion, not only establish maladministration by the Canadian Egg Marketing Agency and the Farm Products Marketing Council, but maladministration by the Minister of Agriculture. That is a serious charge, Mr. Speaker. In putting forward such a charge, one should ask: what are the responsibilities of the minister and, indeed, of the government in relation to this matter? The provisions of the statute, the Farm Products Marketing Agencies Act, are quite clear. They define the responsibilities. The statute should be clear in defining these responsibilities because this agency has been given the power of monopoly and is allowed to operate outside the provisions of the Combines Investigation Act.

The act provides—I am paraphrasing—that it is the duty of the Farm Products Marketing Council to review the operations of the Canadian Egg Marketing Agency with a view to ensuring that CEMA carries on its operations in accordance with its objectives. It must promote a strong, efficient and competitive production and marketing in the egg industry and, further, have due regard to the interests of egg producers and egg consumers. The fact that it must have due regard for producers and consumers seems to have escaped the Minister of Agriculture. I refer the minister to section 6(1) of the act. In order to fulfil this duty, the council must, among other things, review the operations of CEMA and report thereon annually to the Minis-

ter of Agriculture. We already have a report from the Farm Products Marketing Council. In any case where in its opinion the circumstances warrant, it should report on a more frequent basis.

Clearly, the council has been negligent in its duties and responsibilities under this section of the act, and the minister has been negligent in not ensuring that the council carry out the reporting of this whole affair as required under the act. The council should make such inquiries and take such action within its powers as it deems appropriate in relation to any complaints received by it from any person who is directly affected by the operations of CEMA and which relate to the operations of CEMA.

The act describes remedial action to be taken by the council in respect of CEMA operations. If the governor in council or the Minister of Agriculture so direct, the council shall hold a public hearing into any matter relating to its objectives, that is, any matter arising out of its review of CEMA's operations, to ensure that those operations are carried on to promote a strong, efficient and competitive production and marketing egg industry.

● (1530)

There was no direction. There was no inquiry. There were no public hearings. As a matter of fact, the minister, apart from those occasions on which they were prodded into action, was strangely quiet throughout this whole rotten egg affair. The minister can no longer maintain silence, because the moment of truth has arrived. We intend to endeavour to establish that the minister and the Farm Products Marketing Council failed to carry out the provisions of the act. Had they done so, they might have avoided the need to hold the inquiry that is now proposed. But I suppose this would have been too much to expect from the present minister, who has earned the reputation of being the wailing wallah of the cabinet, and it would have been too much to expect of the Farm Products Marketing Council. All one has to do is look at the make-up of the council. The message comes through loud and clear. At least five of the six members are former Liberal politicians.

The evidence is clear that CEMA knew there would be a surplus of eggs in Canada as early as last January. I hope to establish this before the committee. The first general manager of CEMA is reported in the Toronto *Star* of September 25 last as saying:

The agency realized early last winter that by setting a guaranteed high price for producers they were risking the temptation in human nature to overproduce.

Another agency spokesman, James Fisher, according to the same article, insisted that the agency knew where the eggs were and knew exactly how many eggs were in storage at any given time. Thus, on its own admission, the agency knew there was a surplus, and then tried to cover it up. I hope the elements in the cover-up will come out in the course of the committee's hearings. In order to get this whole sordid affair into perspective it is necessary that we go back to the very beginning. On January 9 of this year, the Food Prices Review Board released its first report on eggs, in which it concluded as follows:

The prices of eggs in Canada have risen more rapidly in the last 12 months than those of any other group.

[Mr. McGrath.]

The Board went on to recommend that the prices of table eggs in Canada be lowered immediately. It went recommended further:

(2) That the present system of price stabilization should be altered.

(3) That egg marketing boards should be accountable to the public.

In this connection I would refer Your Honour and the House to the report by Professor Forbes which the government tried to suppress but which I released in this chamber some time ago.

(4) That the federal government should initiate an over-all review of the egg marketing process in Canada.

This was the first time the board had expressed itself in a clear, definite and positive manner. On January 10, the following day, I asked the then minister of consumer and corporate affairs what was being done about the recommendations in that report. In reply, the minister stated: "The government is looking at this matter on an urgent basis." It is interesting to note that the minister who gave that answer in the House is now a private member. I suggest he is a sacrificial lamb chosen to protect the Minister of Agriculture.

Again, on March 1, I asked a question about this report. The Minister of Agriculture told us he had asked the Farm Products Marketing Council to make a thorough study of the recommendations contained in the report of the Food Prices Review Board. Well, Mr. Speaker, I remember remarking at the time that in my view this smacked of conflict of interest. To ask the Farm Products Marketing Council, which has responsibility for CEMA, to inquire into the actions of its own creation is like asking Henry Ford to conduct an inquiry into the price of automobiles.

On May 2, the then minister of consumer affairs told the House he had been advised by the Minister of Agriculture that the report of the council was "expected very shortly". Well, the dissolution of parliament followed. On October 1, the Minister of Agriculture, in reply to a question I put to him, stated that the report of the council had been ready for several months. We knew that. We knew the report had been in the minister's hands since early in May. Then the minister told us it would be presented shortly. A few days ago, I rose under the provisions of Standing Order 43 to urge the minister to produce the report of the council so that hon. members might have a little time before today's debate, and also to prepare ourselves to undertake our responsibilities in connection with the committee hearings which are now proposed. Of course, this motion, like all motions under Standing Order 43, was denied the required unanimous consent.

What happened today? One hour before the debate was due to take place, the minister tabled the report which had been promised for so long. I see it has been mimeographed, hastily prepared. It is undated. It has probably been expurgated by the minister himself. I suggest it has been tabled without regard for the responsibility of members to prepare for the debate in which we are now engaged. How can we be expected to examine a report of this nature in one hour? Even on the basis of a quick glance at its contents one gets the impression that it is an attempt to whitewash CEMA. This is obvious, because it was prepared prior to the disclosure of the rotten eggs scandal, prior to the first disclosure in the *Globe and Mail* that nine

million eggs had gone bad. This revelation in the *Globe and Mail* prompted a report that the number of eggs destroyed might be as high as 200 million, a figure attributed to the president of Export Packers of Toronto who was reported in the press to this effect on September 7. The same article quotes the Consumers' Association of Canada describing CEMA as "a mismanaged monopoly" and urges that the Prime Minister (Mr. Trudeau) abolish it and return to the law of supply and demand. That comes from the president of the Consumers' Association of Canada who wrote to the Prime Minister on September 13 regarding the element of cover-up. This is what the president of CAC had to say in his letter:

● (1540)

It does appear as well that there may to date have been a substantial element of the cover-up in this situation.

The president of CAC went on in the letter to call for a complete and candid disclosure of all the facts with respect to CEMA—which we have not had to date—and to ask for a judicial or parliamentary inquiry. The president of the Consumers' Association of Canada is not speaking for some local minority interest group; his is the only group which speaks for consumers throughout the country. The association's annual grant from the government has gone from $100,000 to $250,000 a year. I suggest that if the association is worthy of a yearly grant of $250,000 from the government, we should pay attention to what it has to say.

We are now going to get an inquiry, but let me just continue with the background. The Food Prices Review Board, in an unusual display of frustration over government inaction—I do not say this disparagingly or offensively, but God knows there have been many occasions for them to express frustration—released a second report on eggs, the number two report. We already have had the number one report, and we now have number two. Egg report number two was released by the board on August 28, and in it the board reaffirmed the recommendations contained in the first egg report. Then it went even further and accused the federal and provincial governments—here the board was getting very close to the minister—of permitting the mismanagement of egg marketing in Canada. The board then went on to say, if I may paraphrase the second egg report, that surpluses prove that the price to the producer is too high and should be lowered as soon as possible, again repeating the principal conclusions of egg report number one.

I think it is relevant and pertinent to quote this sentence from the report, especially in the context of the subsequent revelations contained in the report on marketing boards by Professor Forbes which the government had tried to suppress:

The marketing board approach to income support for egg producers which has been followed in the past year has proven costly to producers and to consumers.

The board claimed that in its opinion changes were needed in this policy, and it suggested two possible changes. First, it recommended that the government give consideration to implementing a short-term program of deficiency payments. Second, it recommended a long-term program of income supplements. We have yet to hear any reaction from the government to these recommendations of the Food Prices Review Board. The release of that report had some rather interesting side effects. The report was first preceded by a speech by Mrs. Plumptre—the outspoken Mrs. Plumptre—at the CNE on August 21, 1974, in which she blamed the federal government for "unjustifiably high prices" for eggs in Canada. That is a direct quote from the chairman of the Food Prices Review Board.

What was the reaction of the government to that speech? The Minister of Agriculture, in his usual folksy way, and I would say rather unchivalrously, referred to that speech by the lady as "hogwash". He went on to issue a warning to Mrs. Plumptre to get her facts straight, or else. Then he is reported to have said, with respect to consumer representation on marketing boards, that as far as the Farm Products Marketing Council was concerned, it would be over his dead body. Although physically the minister may be very much alive, I suggest to the House that politically he is as dead as the 28 million eggs that he allowed to rot in storage.

Some hon. Members: Hear, hear!

Mr. McGrath: Following the rude reaction of the minister, a rather unusual scene unfolded. There was a public dispute between two ministers of the government. Enter the new Minister of Consumer and Corporate Affairs (Mr. Ouellet). With the ink hardly dry on his commission, and to spread his wings and show the people of Canada that he was independent, that he for one was prepared to speak for the consumers of this country even if the minister would not, he took great exception to the Minister of Agriculture's rude remarks about Mrs. Plumptre. Then the Prime Minister entered the fray. When asked to comment on the spectacle of two ministers quarrelling and disagreeing in public, he said that the Minister of Agriculture was doing his job for the farmers and that the Minister of Consumer and Corporate Affairs was merely doing his job for the consumers.

What a beautifully orchestrated scenario! It would make the Royal Ballet of Canada look sick. Here was the Prime Minister in the East Block calling the shots, telling his new consumer affairs minister to get out and flex his muscles. Then we had the great champion of the farmers. It would be humorous if it were not so phony. If we did have this kind of independence in the governement, it would be encouraging indeed.

What are the facts? The indisputable fact is that egg prices in Canada throughout this whole affair have been allowed to rise. They have risen more rapidly than any other foodstuff, and the minister knows that is true.

Mr. Roy (Laval): Rubbish.

Mr. McGrath: Tell that to your constituents when egg prices go up as they have been doing. I suggest that you will get some of those rotten eggs that are stored in Quebec thrown right at you.

So you have the paradox that in the midst of these rising egg prices, consumption of eggs has actually declined while production of eggs has been allowed to rise. If this does not smack of mismanagement, what does? Then there is the intriguing question of the 50 million eggs to be sold to Austria. I have not been satisfied that that has been

rationally or amply explained to the public. A Toronto exporter stated that he received an order from Austria for 50 million eggs, but it was turned down by CEMA. Perhaps this gentleman will appear before the committee and give us the facts.

Mr. Whelan: I certainly hope he does.

Mr. McGrath: With reference to the minister's interjection, he's had it, and he knows it. Getting back to my own province, we have the story of the 250,000 eggs that CEMA shipped from Newfoundland to Surrey, British Columbia. Why, in the name of God, would we ship 250,000 eggs from one end of the country to the other at a time when egg prices in Newfoundland were soaring, only to find that when the eggs arrived in British Columbia they had rotted in transit? This was the result of mismanagement, since it took, I believe, three weeks for the eggs to get from Newfoundland to Surrey, B.C. Whose fault is that? Who takes the ultimate responsibility for that?

● (1550)

Mr. Whelan: Did CEMA drive the train?

Mr. McGrath: CEMA had an obligation to ensure that the eggs were received in good condition. This was not done. It is rather interesting, in talking about Newfoundland and British Columbia, to realize that here are two provinces which have already publicly threatened to withdraw from CEMA because they know it is not working, under the present administration, to the advantage of the consumer or the producer. There is public indignation in Canada, and rightly so. Canadians should be indignant. We would be a heartless people if we were not indignant because, at a time when millions of the world's population face starvation or malnutrition, millions of eggs were allowed to rot in storage in Canada through mismanagement, especially at a time when Canadians are paying the highest prices ever for food and are faced with increasing inflation.

We have revelation after revelation of eggs being destroyed and plowed into the ground because they have been allowed to rot, through the careless mismanagement of people who have been given a licence by the people of Canada to control the supply and distribution of eggs in this country. It has been estimated by a former moderator of the United Church of Canada that one egg would keep alive one starving child for one day. That is something to think about. If these eggs had been preserved in powdered form, they could have been supplied to the world, through the government's food program, to alleviate some of the malnutrition and starvation which exists.

It is not sufficient for the Minister of Agriculture to try to pass the buck. It is not enough for him to try to blame those who cannot speak for themselves, because the ultimate responsibility is his alone. I am sorry the minister has just stepped out of the chamber. The Minister of Agriculture is guilty of maladministration and neglect of his ministerial responsibilities under the Farm Products Marketing Agencies Act.

I hope the committee will be allowed to carry out its mandate and to function without interference from the government of Canada. I have doubts in this regard, especially having seen the membership from the government side of the House. The membership of the committee includes the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Cafik), who has a reputation in this House of being the government's hatchetman in committees. From that moment on I became very skeptical about how much latitude this committee will have. However, should the committee be given latitude and permitted to carry out its inquiry unencumbered by government interference, it will show conclusively two things; that the minister is guilty of maladministration and neglect in the performance of his duties, and that he tried—and failed—to cover up this whole sordid affair.

Mr. David Orlikow (Winnipeg North): Madam Speaker, on behalf of the New Democratic Party it is my intention to support this motion to establish a committee. I am not sure, however, that we should support the establishment of a committee if such is dependent upon the case put forward by the first speaker for the official opposition. I believe I would still be in doubt, in that circumstance, as to whether to support the motion.

The hon. member spent a good deal of time attacking the Minister of Agriculture (Mr. Whelan). I am certain there are good reasons for criticizing the minister. The hon. member also spent a good deal of time criticizing the action, or lack of action by officials of CEMA. I am also certain there is much to be critical of in respect of their action. But the hon. member gave us very little in the way of information about what should be done so that the consumer will get eggs at a reasonable price and the producer will receive a price which permits him to remain in the business of producing eggs.

We received from the hon. member for St. John's East (Mr. McGrath) very little of a constructive nature in respect of the basic problem concerning eggs in this country. We, as members of the New Democratic Party, are as concerned about the destruction of millions of eggs as we would be concerned about the destruction of any foodstuff, especially at a time when so many people are hungry, so many people are starving and when, even in an affluent country like Canada, there are many people in the cities, in the rural areas and among our native population who simply do not have an adequate diet. So we look with a great deal of concern and disappointment at policies which permit wastage and destruction of important foodstuffs.

If there was mismanagement on the part of CEMA, then the people of Canada should know what happened and why it happened. We must have these answers, not merely because millions of eggs already have been permitted to go bad but because we must know what happened in order to do whatever is necessary to avoid similar situations occurring. We must ensure that eggs are produced and distributed as efficiently and as economically as possible.

I want to say on my own behalf—I do not claim to be an expert on the production of eggs although I do represent an urban constituency where many people consume eggs—that I find this situation strange because when we have had surpluses in the past, whether in eggs, butter or any other foodstuff, governments—both Liberal and Conservative—have gone out of their way to dispose of the surpluses by selling them at bargain prices or at give-away

prices to consumers in foreign countries. This was done even before trying to find a method to ensure that food supplies or commodities which could not be sold in the marketplace in this country went to Canadians who could not afford to pay the market price.

On this point I speak on my own behalf and not necessarily on behalf of my party, because as far as I know we have not yet worked out in detail such a policy. However, I should like the government of this country to consider establishing a system such as exists in the United States, where a substantial percentage of the surplus food is diverted to people who simply cannot afford to pay the retail price. It is done through distribution of food stamps. This would permit low-income people to obtain foodstuffs such as eggs which may be in temporary surplus supply.

● (1600)

The hon. member for St. John's East, speaking for the official opposition, seemed to endorse the position taken by the Consumers' Association and by Dr. Forbes in calling for the elimination of marketing boards, in this case in respect of eggs and, I suppose, in respect of other commodities; doing away with marketing boards and leaving the production, sale and distribution of food to, as he said, the law of supply and demand. If there is one area of life in which the law of supply and demand has not worked for the producer or for the consumer, it is the production of food. If you look at every product of the farmers of Canada in the last 25 years at least, you see cycles of temporary surpluses followed by shortages. A few years ago the minister in charge of the Wheat Board brought forward a plan under which we paid the farmers of western Canada $200 million not to produce wheat. A few years later there was a tremendous shortage of wheat. The price of wheat has gone up from $1.60 a bushel to something like $5.50 at present.

When the minister in charge of the Wheat Board asked the farmers of western Canada to get out of the production of wheat, they were urged to get into the production of livestock, which they did. Today, there is a temporary surplus of beef. The price paid to the producers of cattle in western Canada has gone down pretty sharply, at a time when the price of feed for their cattle is very high. The price of beef to the consumer has not been reduced. I suggest that it is not the farmer who is benefiting at present, nor is it the consumer: it is the middleman, the processor, the meat packer and the supermarket. That is what supply and demand forces bring about consistently—temporary surpluses and then shortages.

The beef producers of western Canada faced by reduced prices and the high cost of feed are getting out of the business. Hundreds and thousands of farmers in the three prairie provinces are selling their herds. This means that 2½ years from now there will be a shortage of beef and the Canadian consumer will probably pay 50 per cent or 75 per cent more for beef than he is now paying. That is the result of following the old nostrums of supply and demand.

Members of the New Democratic Party will not support the idea that marketing boards work against the interests of the producer and the consumer. It seems to us obvious that the producers of farm products—this includes eggs, beef, and everything else used in this country—need the input of a group of consumers, urban people who are working for good wages and are able to pay a fair price for farm products. If they are to produce wheat, farmers must receive a fair price.

Marketing boards have served a useful function in protecting the interests of the farmer. We are not convinced that wiping out marketing boards and leaving the production of eggs, or of any other farm commodity, up to the law of supply and demand will benefit consumers in the long run. On the contrary, we believe it necessary, if we are to provide the consumers of Canada with sufficient food at a consistent and fair price, that farmers be encouraged to produce more foodstuffs and be guaranteed a fair price for them. They must be able to buy feed and other supplies which they need at a price that will encourage them to stay in production and produce more than they have in the past. So we reject the proposal of the so-called experts that marketing boards be eliminated. We reject the idea that the production of eggs be left to the so-called law of supply and demand. We want marketing boards to work efficiently, in the interests of the producer, the farmer and the consumer. For this reason we welcome the proposal to establish a committee to look into the whole question of the supply and the price of eggs. We want the committee to get all the facts.

It seems pretty obvious that CEMA did not operate as efficiently in the interests of the farmer and the consumer as it should. We want to find out in what way CEMA's operations were misguided or less than fully efficient. We want to find out whether the relationship between the national marketing agency and the provincial marketing boards is as fair to producers and consumers as it should be. We want a thorough examination of the whole question. But we do not believe that the way to protect the interests of the producer and the consumer is to wipe out marketing boards. We do not believe that what is needed is a witch-hunt—for which, it seems to me, the hon. member for St. John's East is calling—nor that finding scapegoats will solve the problem of the price of eggs or help the producer or the consumer.

What is needed is a thorough, fair, objective examination of the question so that we can eliminate any inefficiencies. We believe that the consumer is entitled to purchase eggs at a price which he or she can afford. We believe that the farmers, the producers, are entitled to a price for eggs which will encourage them to stay in business and to produce more eggs—if we need more eggs, as I believe we do—without going into debt. If that means subsidies to the producers, we are not opposed to that; we would welcome them. If it means taking steps other than leaving the production, distribution and sale of eggs to the law of the jungle—for which, it seems to me, the hon. member for St. John's East is calling—then we will support any proposal which is fair to the producer and the consumer of eggs in this country.

● (1610)

We welcome the establishment of this committee. Indeed, we have called for it on a number of occasions. We are prepared to see that all the facts are brought forward and that concrete suggestions are made to meet the needs of the people of Canada, the producers and the consumers.

Canadian Egg Marketing Agency

Mr. McGrath: I rise on a question of privilege, Madam Speaker. I should like to set the record straight. I did not put forward the position that we favour a return to the law of supply and demand. I merely enunciated the facts as I have them at my disposal. I was quoting from the report of the Food Prices Review Board and I referred to the Forbes report. I do not think it was reasonable or fair of the hon. member to read what he did into my remarks.

Mr. Orlikow: On the point raised by the hon. member for St. John's East, Madam Speaker, I think today's *Hansard* will show very clearly that the hon. member did put on record the fact that the Consumers' Association of Canada called for the abolition of marketing boards and that Dr. Forbes is opposed to marketing boards. It is true that the hon. member for St. John's East did not say he agreed with the position of both those sources, but neither did he say he disagreed with it. I think any reasonable and disinterested person would, after reading his speech, come to the obvious conclusion, as I did, that since he quoted those two sources and did not quote anybody who supports the continuation of marketing boards, he supports the proposals made by those two sources.

Mr. Jack Murta (Lisgar): Madam Speaker, I think we must view the events of the next few weeks in two lights. Perhaps I view what is going on at the moment in a different light from other hon. members, because I am closely connected with agriculture within this party and in private life. If this inquiry is conducted properly and the committee does its work well, it can be a very meaningful exercise. But in my opinion it is overdue. When I came to parliament in the fall of 1970, we were in the midst of debating Bill C-176 which set up the whole national marketing system that we are presently debating. What we predicted at that time has come about. Hopefully, the proposed inquiry will clear the air as far as producers and consumers are concerned.

So far we have not asked what we want from the inquiry. I suggest that if we are to receive any benefit from it, we must consider the relationship between CEMA and the national products marketing board, its relationship with provincial boards and the control exercised over producers in the provinces. The committee will also have to take the management of CEMA under careful scrutiny and discover why it made mistakes. Who were the people involved, and exactly what did they do? What is happening at the present time, and have any changes been made? These matters must be brought into the open by the inquiry so that producers and consumers will know what is going on.

Then we must ask some fundamental questions, such as whether the marketing boards presently established benefit producers in the long run, and whether they help consumers at all. My hon. friend from St. John's East (Mr. McGrath) referred to the federal government's position in this whole matter, especially that of the Department of Agriculture. That matter must be cleared up. How does information flow from CEMA through the national board to the minister's office, and does the minister have any direct input in the discussions?

I hope the committee will seriously consider travelling to the provinces, because it is essential that the breakdown in relations between the federal jurisdiction and provincial jurisdictions in this matter be repaired. The provinces have the ability to make this program work, and we should meet with them if we are to do a thorough job of this inquiry.

Producers and consumers alike are sickened by the destruction of 28 million eggs. I do not know how many dollars that represents.

Mr. McKinley: Six million dollars.

Mr. Murta: How many people have thought of the other consequences of this action? At a time when protein was scarce, a great amount was thrown away. The grain that went into producing the eggs was wasted at a time when grain was selling at world record prices. If the inquiry is to be meaningful, all the facts must be laid on the table. We must start restoring confidence in our so-called animal agriculture, Madam Speaker.

Some hon. Members: Hear, hear!

Mr. Murta: That is sadly lacking in the egg industry today, and also in the cattle industry. It is one of the matters about which the minister has been lax. I would point out to people who are pro-marketing board that this party is not on a witch-hunt. Many in this country think marketing boards are worth while. If agencies like CEMA and the national farm marketing board are to survive and be viable, they must withstand in the next few months the scrutiny of members of parliament and all Canadians. We must look at the question fairly, because only in that way can we show whether CEMA and the marketing board system in general are worth saving. I therefore hope that the committee which will examine this question will soon be allowed to do its work.

● (1620)

The theory of the marketing plan is quite simple. Every province was put on a quota based on its historical share of Canada's market. Each province, through its board, would allocate quotas to its producers. Egg prices would be set by board regulation rather than by supply and demand. Eggs produced under a quota that could not be sold at the fixed price would be paid for by CEMA. In turn, CEMA would finance its operations by a levy on all egg producers in this country. The provincial boards would collect the levies and pass them along to the national agency. In view of this, I think it is most important that the committee which will look into this matter should travel to each of the ten provinces and talk to the provincial agencies.

The national agency did, in fact, achieve its first goal. It kept prices up. But by mid-summer its control program had become, in colloquial terms, a leaky sieve. Producers who used to sell their own low-priced eggs were selling them to CEMA at a high price and letting CEMA sell them at a loss. Other eggs were finding their way into the market outside the legal channels at a good price and the levies were not being collected on them. By mid-summer, efforts by the provincial boards to hire more people to keep records, police producers and enforce regulations to prevent eggs from leaking out of official channels, proved inadequate. What happened? CEMA could not pay its debt

because it could not sell its eggs. And as CEMA debts climbed, the agency's operations were placed under the direct operating control of the federal government's Farm Products Marketing Council. CEMA's original goal had been to coordinate the work of the provinces and set up a national pool, but its problem was that controls in each province had to be enforced by the provincial boards. That is an important point.

What happened was this: CEMA was not getting the kind of co-operation from the provinces that was needed, the result being that producers took advantage of the system. Agency leaders said that harsher legislation was needed to control producers, if the system was to work. In other words, we need to be tougher with producers or they will not make the system work. This concept involves supply and management. Some suggested a control system from the hatchery to the processing plant and everywhere in between. That seemed the only way to make the system work. Yet board leaders and provincial governments would not always given agencies the power to enforce the kind of controls which were needed for their industry.

Agency leaders admitted that the breakdown of the program resulted from failure to control all eggs. One CEMA manager charged that too many producers pay only lip service to the plan and evade its rules. Another CEMA official said that producers had created CEMA to manage their affairs but would not give it the authority to control producers. A provincial marketing board official said they were doing their damndest to control the surplus of quota eggs that were moving around the province.

Although the seriousness of the egg problem became apparent only this summer, the tell-tale signs were evident long before, in the early part of last winter. The marketing board official I have referred to said that the board has as many inspectors on the road policing producers as is practical, and that is is doing all it can to enforce quotas and penalize producers who overproduce.

I think it could be stated with virtual certainty that the whole concept of marketing boards in Canada is in doubt. The people of this country, rightly or wrongly, are asking questions about marketing boards. Many farmers are uncertain of the value of these boards. They do not know where they are going or whether they work in their best interests. Such questions are being asked in the rural communities of Canada. Officials involved with marketing legislation are also uncertain about what should be proposed. Hopefully, the deliberations of the committee will clarify some questions affecting marketing boards which play a large part in the production of certain commodities in Canada.

The hon. member who spoke before me said that members of my party never make constructive criticism; we do not say what ought to be done about marketing boards. Well, the inquiry will provide some answers. We hope to make marketing boards better, not to tear them apart. If they are worth saving, they are worth making better. May I make the following observations about marketing boards. Many boards and agencies, either through lack of purpose or failure to recognize opportunities, have not paid attention to the future of their industries. In effect, they have forgotten to invest in the future because of the pressures of today.

We need to reappraise the direction in which marketing boards are going and to examine closely the basic reasons for the existence of such boards or agencies. It might be advisable if the marketing boards now operating re-examined their organizations and rethought their programs. Boards and agencies in the development stage might take stock of a few basic guidelines and considerations before formalizing their organizations. Where marketing boards exist, their specific objectives should be tailored to the specific commodity or area of their operation.

If marketing boards are to achieve the objectives they have set themselves, they may need to adopt a more positive and aggressive philosophy. This applies to all marketing boards that I can think of. With one or two exceptions, we could put all federal and provincial marketing boards into the same basket. In essence, a board should be capable of taking advantage of each marketing opportunity as it presents itself. Boards should be aggressively market-oriented and aggressive merchandisers of their products, not just sellers or controllers. They should also consider identifying and segregating the various market segments with which they deal. For instance, there could be segments for fresh produce, processed materials and commodities for export.

In closing, may I say that if the inquiry is to mean anything, we must meet the challenge of developing and operating marketing organizations such as CEMA which, by being aggressively market-oriented, hold out the possibility of future growth and development for their particular industries.

● (1630)

However, when all is said and done, the future of marketing boards in this country depends almost entirely upon how well the commodity groups choose to use marketing boards, how well these groups adhere to the powers that marketing boards give them, how open these groups are with producers and consumers and, finally, how well each develops and upholds its own objectives and marketing plans within its area. If we can keep some of these guidelines in mind when talking about the whole subject of marketing boards, it will be a meaningful excercise that we will be going through in the next few months.

The Minister of Agriculture (Mr. Whelan) has a lot to account for, but whether he will start giving us any information today is another thing. When you come down to who is ultimately responsible for the present mess in egg marketing in Canada, the fault must be laid at the door of the Minister of Agriculture.

An hon. Member: Oh, oh!

Mr. Murta: The hon. member laughs. I cannot think of anyone else. It must be the Minister of Agriculture. In the next few weeks we will expect the Minister of Agriculture to tell us in as much detail as possible what has happened in the past eight to ten months in this situation. Hopefully, we can take a broad look at marketing boards and supply management, not necessarily with the idea of throwing them out but with the idea of making them more effective not only for the consumers of this country but for the people they represent and work for, namely, the producers.

Canadian Egg Marketing Agency

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Madam Speaker, I would like to contribute briefly to this debate to second the motion now before us and to make a few comments which I hope will help solve this serious problem. The motion says that the committee appointed will be responsible for examining in depth all the activities of the Canadian Egg Marketing Agency.

After the committee has done its work, I wonder if there will not be a suggestion to form another committee to examine the work of the committee responsible for examining the activities of the agency. This can go on forever.

Madam Speaker, I know that the problem of marketing farm products is extremely difficult to solve. I think it may even be one of the most difficult to solve, because so many people are involved in marketing farm products, so many people want to earn a living from marketing farm products that finally the prices go up, the consumers are dissatisfied with the prices they must pay, and the producers do not receive what they deserve. This is not a problem which has come up only in the last two or three years, it is an old problem but one which is always current.

It is interesting to note, however, that throughout the movement of these farm products across Canada, all efforts to put marketing in order has failed. I remember that when we discussed Bill C-176 establishing the National Marketing Council and creating marketing agencies, we examined very carefully all the aspects of the problem of farm product marketing. I must admit that the present Minister of Agriculture (Mr. Whelan) is making a real effort to communicate to the population the true situation by trying to make the consumers understand, or at least trying to make them understand, that the Canadian consumer is the one who spends the smallest proportion of his income on food.

I have just come back from a trip to Europe; living in some countries was quite a surprise and I noticed that the cost of living was extremely high and that food is the most expensive item for European consumers.

With the adoption of Bill C-176, Mr. Speaker, we thought we had found a tremendous solution, that we could hope that the Farm Products Marketing Council and the marketing agencies would manage to meet the needs of both consumers and producers by straightening out the marketing of farm produce. I feel the time has come for some authority to assert itself in Canada, because there is disorder, and where there is disorder, things do not go well.

In marketing, we have not yet managed to find ways of achieving the objectives we had set out for ourselves with the passing of Bill C-176. That is why I support the motion for the setting up of a committee to enable us to look into, seriously and as quickly as possible, all those problems and prepare an intelligent report, report which could for a change enable Parliament to pass strong legislation.

● (1640)

But I know already that as in the consideration of Bill C-176 we will be faced with the constitutional problem. It is a sad thing to see in our country how many problems remain unsolved because of the question of jurisdiction, the constitutional problem. At times we get the impression that there are borders between the provinces as there are between countries, that we do not speak the same language, that we do not live in the same country. If we wanted to make a serious effort a solution could be found which would bring to reason large multinational corporations which corner a market and control it in the most profitable way to them without any consideration for the needs of the consumers and the producers pushing for their rights.

When Bill C-176 was under consideration we suggested amendments to force importers of farm products to comply with the same rule of the game as Canadian producers with respect to marketing. Unfortunately, those amendments were not accepted and today, as in the past, the Department of Industry, Trade and Commerce is still issuing import permits, and not always after consulting the ministers, not even the Minister of Agriculture who is responsible in Canada for the quantity and the quality of the food we get.

During the summer American eggs arrived on the Canadian market when we already had difficulties marketing our own production. Producers were offended by that procedure, and that automatically led to the destruction by the Farm Products Marketing Board of a considerable number of eggs. For my part, I am not shocked by that in view of the present system but, on the other hand, I am terrified by the fact that food is being destroyed when in our country there are families that do not have enough food to meet their needs. The situation is quite deplorable in that respect and I think it should be looked into seriously to see what is going on in that area.

Mr. Speaker, there is in Canada a board called the Food Prices Review Board. According to press reports, this board has spent up to now over $3 million and for what? What have been the results? The chairman of that board, Mrs. Plumptre, with the assistance of her officials has published quite interesting reports to show some deficiencies in marketing, and deplore that prices are rising in such or such an area.

However, since the board unfortunately does not have the necessary powers and has been unable to provide solutions to correct the situation, it is probably why the Minister of Agriculture once rightly and rather severely criticized the chairman of the board, a criticism which I endorse because I think it was necessary that a responsible minister of the Crown take position and say to the country that the board does not give the anticipated results. I read in the Speech from the Throne that the government intends to introduce legislation extending the terms of reference of that board. Mr. Speaker, I feel that consumers should be protected against speculation and even gangsterism in certain cases.

But, I would very much like to see that the board be given the necessary powers to provide punishment, and that it be done once and for all. This reminds me a little of the existing legislation on combines and coalitions. They resemble the statutes we see around Parliament hill, they serve no useful purpose. These laws have been passed by parliamentarians to deal severely against abuses committed by some companies that indulge in misleading adver-

tising to make more profits at the expense of the consumers. Such companies are allowed to reap tremendous profits of about $300, $400 or $500 million and then they are brought before courts. The case is not heard for six, seven or eight months and when it is heard, as provided in the act, a fine of about $25,000 is imposed. All things considered, it is like levying a fine of two bits against a gangster who has held up a bank for $200,000.

What a mess! I call that a mess because people right and left draw upon farm products through trade, through some intrigue or other and consumers have to foot the bill. Unfortunately, as the people are not adequately informed, most consumers believe that producers are making huge profits and taking unfair advantage of them while it is quite the opposite.

I was reading a while ago, in a September statement from the Minister of Agriculture, a fairly well documented analysis of the egg marketing problem. I also had a look at a table showing that the egg producers' hourly wage is far from being as high as in other trades especially in the building or the automobile fields or in the industry as a whole. Those figures are such as to make one think and I believe that such information should be more widely published, so that the consumer could be better informed and able to cooperate with the provincial and federal governments whenever improvement measures must be passed and implemented.

Mr. Speaker, I do not wish to enlarge much longer on my comments because as a committee member, I will surely have the opportunity of speaking often enough in committee meetings. I wish to give my colleagues in this committee the assurance that I will bring all the attention that is necessary to make a worthwhile contribution so that we may make an intelligent report that will be, I hope, approved by Parliament. I also hope that we shall pass, once and for all, a legislation to give powers to the department, to the Minister of Agriculture, so that the marketing means given the marketing agencies by the provinces and the National Marketing Council may be worth while and so that it will not merely be a way of creating cushy jobs for friends and paying them fat salaries. On the contrary, public servants should do fruitful work so that the people as a whole would benefit by it.

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): I want to say just a few words about this motion before it is passed. Basically, I am in favour of the proposed inquiry, but at the same time I should like to raise a few questions which are of importance to those who come from farming areas. I do not want this committee to become a place in which marketing boards are attacked. Marketing boards have a place in our society and I think they should be strengthened as bargaining units for farmers. Farmers fought for about 40 years to establish marketing boards which could bargain for them effectively and see that they received fairer prices for their commodities.

Today there are dozens of marketing boards established in Canada, most of them under provincial jurisdiction. The way I see it, a marketing board should be analogous to the collective bargaining process available to workers. The farmer who is left on his own to fight the weather, the uncertainties of the world economic situation and an uncertain market, enjoys little protection. One of the few ways in which he can hope to bargain successfully is through a marketing board.

I shall not tolerate any attempts to erode the strength of marketing boards in the area of farmer protection. I do not wish the boards to become scapegoats because of the imperfections of our society. There are many factors which affect the price of a commodity. The farm unions and wheat pools, with the support of the party to which I belong, have for years campaigned in favour of strong marketing boards. I believe the farmer should enjoy the protection which marketing boards afford, and their activities should extend to all products, including beef, so that the producer is given a chance to bargain for the price of commodities sold in the marketplace. Everybody is bargaining except the farmer.

● (1650)

I would not want this inquiry to become the focal point for an attack on orderly marketing in this country. I know some groups would like to see CEMA and all marketing boards dismantled. If we ever get to that situation, then I will be standing in this House for as long and as often as I can in order to fight against it. The farmer deserves some presence in the market place, and as far as I am concerned he is going to get it.

If the farmer is to stay in business today, he needs a collective bargaining position. Look at what is happening to the beef producers today. As a result of free marketing and free enterprise, farmers are being driven out of the marketplace. Prices for their products are dropping. If the farmers had a cattle marketing board that would give them collective clout, if they had price supports and price guarantees, I suggest that the average farmer would be able to stay in production and make a viable living for himself and his family. The farmer needs such guarantees. He needs to know in the spring what he will get for his products in the fall. The farmer cannot rely solely on market forces and weather; he needs a marketing board to protect him.

We do, of course, run into problems with the operation of marketing boards, like everything else. CEMA, the first board of its type to be established in this country, has had problems. Eggs have gone to waste. However, let us examine what the alternatives are for handling surplus products. For example, why cannot we use these surplus products as foreign aid, or give them to the poor people of this country? Why is it that we always suspect that the farmer is charging too high a price for his products? It is also important that consumers realize that what he needs is orderly marketing. If the farmer is not assured of stable prices for his commodities, then he will not produce.

We have to take into account the ups and downs of the business cycle and the fact that we do have surpluses. These drive the small farmer out of business. When this is allowed to happen, food becomes scarce and prices are driven up. That sort of thing will continue until we have a system of orderly marketing in this country, until we have marketing boards and the producer is guaranteed a stable income. This would mean, in turn, that the consumer would be guaranteed the same price for bacon in the store one month as the next.

If we are looking for the culprits who have caused high food prices, I suggest that we look at the middlemen and the large food corporations, at other factors such as transportation costs, advertising and packaging costs, promotion and things like that. If the price of eggs is too high but the price that the farmer receives is such that it provides him with only a basic income, then perhaps the time has come for the government to begin subsidizing basic foods to a greater extent than it does today. If we get rid of marketing boards or erode their power and effect, we will only drive the farmer out of business.

We have been discussing both formally and informally the question of consumer representation on marketing boards. What, exactly, does this mean? Does it mean we should appoint a $40,000 a year housewife from among the upper class of this country? Just who are the consumers? What are their interests? Would they understand the position of the farmer? If we are to have consumer representation on marketing boards, then why not have consumer representation on the boards of corporations, among the medical profession and legal societies? After all, they too deal with the consumers of this country.

I am saying that we should look at this question in more ways than one. Let us not use this inquiry to channel an attack on orderly marketing and marketing boards. The Forbes report which was presented yesterday is being used to fight orderly marketing in Canada. I shall not tolerate this sort of thing, and neither will my party. We should have marketing boards, and their powers should be strengthened. The producer should have as much control and bargaining power in the marketplace as possible.

I suggest we should also look at the powers of such corporations as Safeways, Loblaws, the huge meat packing plants, and the CPR and their freight rates, as well as other farm input costs such as fertilizer and farm machinery. All these costs are reflected in the end price that the consumer pays for food. Our farmers and our workers realize that they have many things in common. We must strengthen the organization of our workers through their unions, as well as the organization of our farmers through farm organizations and marketing boards. I make that appeal as we send this matter to committee and I hope all hon. members will keep these factors in mind instead of going down a narrow back alley with an attack on marketing boards as their sole purpose.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, much has been said about the Canadian Egg Marketing Agency, both outside and inside this House, by myself and by others. I said quite a bit about it in my speech the other day during the throne speech debate. I want to repeat only one thing. Several members have stressed today the kind of hearing they feel it should be. I am going to use the same story that I used the other day: I hope we do not enter this matter like the Texas hanging judge, Judge Roy Bean—"I am going to give you a fair trial and then hang you."

The House approved earlier today the putting of a motion to establish a committee, so let the committee go about its work in an efficient and objective manner. Let the nation get all the facts which it has not received to this date. That is why I am very much in favour of this hearing. I was not forced to agree to the hearing. The

[Mr. Nystrom.]

Prime Minister (Mr. Trudeau) said to me, "Mr. Minister, you do what you think best". No one flayed me into making any decision such as this. It had become obvious to me that the nation needed the facts, that they were not being presented to the people in the manner which, as far as I am concerned, they should have been. Even what I said was not presented properly; half the things I said were misinterpreted.

Every member of this House, Mr. Speaker, has received a memo from my office outlining the history of egg marketing and also the principles and operations of a proper marketing board. I suggest that all members of the House of Commons who participate in this committee read that memo as well as anything else that will tell them about the principles of good marketing boards and what the egg history of this nation is really all about. Let us pass the motion and get on with the business of the committee as soon as possible.

Motion agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for York Centre (Mr. Kaplan)—National defence—Downsview air base—Possibility of releasing land for housing development.

[*Translation*]

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

● (1700)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

BRITISH NORTH AMERICA ACT, 1867

MEASURE TO ABOLISH THE SENATE

Mr. Stanley Knowles (Winnipeg North Centre) moved that Bill C-205, to amend the British North America Act 1867, (abolition of the Senate), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I am grateful to my colleague, the hon. member for Yorkton-Melville (Mr. Nystrom), for seconding my motion for the second reading of this bill, but I had hoped the Minister of Agriculture (Mr. Whelan) would do that. After all, there are few members in this

House who feel as strongly as he and I do that the Senate should be abolished. At any rate, I am glad to see that the minister has returned to the House even though he is sitting in the back row.

A few days ago I had a conversation with a senator who is a friend of mine. Believe it or not, there are some senators who are my friends because they know that my opposition to the Senate is to it as an institution and does not involve any feelings against any of Their Honours who are over there at the present time. At any rate, I asked this senator who is a friend of mine whether he would prefer to be reformed by the Prime Minister (Mr. Trudeau) or abolished by me. His answer was immediate. He said he would rather be abolished by me.

As we discussed the matter it became clear that one of the reasons he made that choice is that he feels, as I believe other senators do, that one of the most insulting suggestions that has ever been made to Their Honours in the other place is the proposal of the Prime Minister for Senate reform along the lines of seven-year appointments subject to reappointment. One might ask what would happen to a senator appointed when the Conservatives were in power, if that ever happens again, whose seven-year term should expire when the Liberals were in power. Would the Liberal prime minister say to a Conservative that he has been a good boy and therefore he would be reappointed, or would he pass him by?

For that matter, what would happen to the fortunes of a senator belonging to the party of the prime minister if that same prime minister had some cabinet member he wished to get rid of, or if there should be too many members waiting in the wings? What chance would there be for a firm appraisal of the job done in the other place by those who are there under this seven-year "you are in and then maybe you are out" proposal of the Prime Minister? I suggest that my argument for the outright abolition of the other place is much kinder than what is being proposed by the Prime Minister.

This is not the first time I have moved the second reading of this bill. It has seldom reached a vote, although on occasion it did. Even though one has not had success in persuading this House to support the abolition of the Senate, I think it is a point which should be considered very seriously. My basic reason, as I have already said, has nothing to do with the persons who are there, or who have been there in the past or who may be there in the future if the place continues.

My basic reason for being against the Senate is that I believe in democracy. To be even more precise, I believe in parliamentary democracy. I believe it is proper for the laws of the country to be made by persons elected by the people of Canada. That is what we are in this House. We are 264 individuals elected by the people of Canada. We can make mistakes, but if we make mistakes we must go back to the people during the next election and answer for our mistakes. We are responsible back to the people who sent us here.

The same situation does not exist in respect of the other place. Each one of them is appointed by the prime minister of the day. The actual constitutional arrangement is that the Governor General summons individuals to the Senate, but the Governor General acts on the advice of the prime minister and on the advice of no one else. Therefore, when a person goes to the other place he has not been elected by the people. He is not responsible to any group of people. He is not even responsible to the prime minister who appointed him.

If a senator should be appointed now, he continues until age 75. If he was appointed before the law was changed, he is there as long as he lives. I do not know how anyone can justify that arrangement in the 1970s as being consistent with the principles of democracy and with the philosophy under which the laws of the country are made with the consent of the governed by persons who are responsible to those who sent them here.

I do not feel this is the time to reform the other place. It is not a time to change its rules, to change the method of appointment or to change the amount of work allotted to it. It is a time to face the fact that we are not in 1867 or in the century when the House of Lords seemed to be all right and we copied it. We are in the latter part of the twentieth century and getting close to the twenty-first century. Surely democracy has grown up and it is time for the country to be governed by the people through their elected representatives, and that means that nothing we do should be subject to veto by the other place.

I recognize that it is not very often the other place does veto anything done in this House of Commons. Many years ago Their Honours defeated the first old age pension bill. That alone struck me as strange, that at a time when they were on pension for life they thought $20 a month in the form of a pension for ordinary Canadians was something which should not be accepted. There have been a half dozen cases since then on minor points when the Senate has vetoed something done in this House. There was one case during the last parliament when the Senate amended a bill sent over to it. It is true that once we rejected their amendment, they did not insist on it. The fact is, however, that they have the power. The fact that they do not use it only makes the existence of the place ridiculous.

I know that a great deal of work is done in the committees over there. It is done by a limited number. Perhaps 25 or 30 of those in the other place are working senators. I pay tribute to them. I am one of those who spend a good deal of time around this building. I am here many times on weekends when there are not many members around, but I see some of those working senators here and I know that they apply themselves conscientiously to the jobs that are given to them. They have produced some good reports on land use, on aging, on poverty, and so on. They have participated with members of this House in joint committees that have produced good reports. But the desirability of having 15, 20 or 30 individuals working on surveys or reports is surely no justification for keeping 102 individuals, not only on a rather expensive payroll but in a position where they have the right of veto over what is done in this House of Commons.

● (1710)

This is the basic philosophical approach that I take to the whole matter. I think there is just no place for a non-elected body in a democratic parliament in this latter part of the twentieth century. Some persons who go along

with me to that extent will say that perhaps the answer to that is to have an elected body as a second chamber. I have seen nothing to that effect in any of the suggestions that the Prime Minister (Mr. Trudeau) has made, but I want to register my objection to that idea. I think we have enough stresses and strains in Canada already, when you consider the pulls there are between the federal and provincial governments and the stresses that exist between the federal executive and federal parliament. If we added to that a second chamber that had moral authority, we would just slow down the process of government in this country almost to a standstill. I do not think that that is the direction in which to proceed.

It is sometimes argued that we should not do away with the other place because it is a bulwark and a defence of the rights of minorities. That is a myth. In fact, no one stated that more forcefully than my friend, Senator Forsey, in a paper he wrote on the Senate some years ago. He said that in fact it was the most undemocratic institution in the world. On the question of the minority rights, he said that that was a myth. Minority rights are protected by the courts, by the House of Commons, and by the representation from the various provinces here in this House.

The other place is one of those institutions that we have had around and many people accept it because they cherish the thought that they might get there some day. To me that would be a fate worse than death. But just because we have had it all this time is no reason it should continue. I think what this House ought to do is to pass this bill, send it to the appropriate committee and let us study seriously the whole question of abolishing what we now call the other place or the upper house.

Some individuals may ask: have we the right to do it? The Senate is provided for in the BNA Act. We have amended the provisions respecting the Senate by bills that have been put through both houses of parliament. We amended it with respect to the age at which senators must retire, and if the Prime Minister is planning reform of the Senate, he will have to do it by a bill. I know, of course, that a bill could be passed by this House and that if Their Honours did not pass it, it would not become law. However, if this House did that a couple of times and the Senate overrode the wish of the elected people, it would not be long before they would see the light.

Upper chambers have been abolished in a number of provinces. In my province of Manitoba it was abolished way back in the 1870s. Nova Scotia abolished its upper house, and Quebec did so not long ago. Other countries have done it as well. I think that the sensible, realistic thing to do is for us to get rid of a chamber which really is completely outside the democratic process. I repeat my expressions of respect for many of the individuals over there, for the work that they do and for their conscientiousness. That is not the issue. The issue is whether there is a place in an elected parliamentary democracy for 102 individuals enjoying all the rights, privileges and authorities accorded to them, without any responsibility back to anyone at all.

So despite the number of times that my motions and my bills for the abolition of the Senate have been unsuccessful, I hope that this time, now that the issue of Senate reform has been raised by the Prime Minister himself, the House will agree to give this Bill second reading and let it go to the appropriate standing committee for thorough consideration.

[Mr. Knowles (Winnipeg North Centre).]

[*Translation*]

Mr. Francis Fox (Argenteuil-Deux-Montagnes): Mr. Speaker, I have listened most attentively to the argument put forward by the hon. member for Winnipeg North Centre (Mr. Knowles) concerning this matter which was brought on many occasions to the attention of the House by the hon. member who certainly pleaded his case with considerable eloquence. This being said, Mr. Speaker, I am sometimes under the impression that the only way the hon. member could have his dream—which may have reached the stage of a darling dream—come true would be for him to accept at one time or another an appointment to the Senate, in order better to convince his new colleagues of the necessity to put an end to their own institution.

Mr. Knowles (Winnipeg North Centre): Never!

Mr. Fox: I hear the hon. member say that he will never accept such an appointment. I suggest that it is because this would hurt his true democratic convictions which are held in high esteem by all hon. members.

While listening to him, Mr. Speaker, I suddenly remembered this saying by John Stewart Mills:

[*English*]

On all great subjects much remains to be said.

[*Translation*]

I do not know, Mr. Speaker, if this saying applies to the matter considered here and which has been studied several times during private members' business period in previous sessions. But the Senate is part of our political institutions and as such deserves to be considered by all those concerned with the continuous betterment of the Canadian democratic process.

The question of the Senate does not trigger any passionate controversy outside the House. I would even suggest that very few Canadians in a whole year care to listen to the debates of the Senate, even if quite relevant questions are sometimes discussed there. "Prologues Without a Play", said Walter Bagehot in his classic on the English constitution, referring to debates of some legislative bodies.

Mr. Speaker, I do not want my remarks to lead to confusion. I recognize wholeheartedly the presence in the Senate of distinguished Canadians. There are men and women who worked in all public and private sectors in Canada, men and women still making valuable contribution to community life in Canada. But their distinction is quite independent of their role as senators. Their contribution to the community precedes their appointment as senators.

Mr. Speaker, although the Senate once played a real part in Canada, serious doubt exists whether it still does today.

In a democracy, power should be exercised by representatives of the people. Such is the case in Canada today. Every time however we vote a piece of legislation in this House, the Senate goes through the unbelievable masquerade of going over it.

Some members may stress the usefulness of Senate investigating committees, and refer to a series of reports some of which were mentioned by the hon. member for Winnipeg North Centre (Mr. Knowles). Those are highly interesting papers stemming from investigations.

That, however, is no sufficient reason for keeping an institution, if it has served its purpose. A series of ways could be devised whereby such investigations could be completed.

But let us go back to sources for a moment. The Special Joint Committee of the Senate and of the House of Commons on the Constitution of Canada, known as the Molgat-MacGuigan Commission, threw light upon this matter in its final report of 1972. I quote an extract from page 33 of the report:

> The Confederation Debates of 1865 prove that there would have been no Confederation in 1867, or at least no Canada as we know it today, if provision had not been made for the Senate. The Maritimes and Quebec were not prepared to join the union if there was to be only one elected House, based on population. Canada would be a federation, and not a unitary state. Consequently, if the Lower House were based on representation by population, there must be an Upper House giving equality to the regions.

Mr. Speaker, who could maintain that such a context remains relevant? The inhabitants of a province have their federal representative in this House and the position of provincial governments has gained so much strength over the years that it would be ridiculous to pretend that the population of a region relies upon its senators for its protection rather than upon its provincial government or its federal representatives.

The Committee on Constitution came to the conclusion, however, that it is necessary to reform the Senate rather than to abolish it.

● (1720)

[*English*]

I fully agree, to quote Lord Morrison of Lambeth, that if the choice is end them or mend them, we ought to end them. If we look to the mother of parliaments in Westminster, we see that the powers of the House of Lords have been severely curtailed.

I do not need to be reminded by members of the Senate of the other useful work they may do. I, too, have read the Canadian literature on the subject and have had the pleasure of seeing the Senate in operation. It seems clear there ought to be clearly established limits on their powers at the very least. On the whole, however, I believe the Senate ought to disappear for either it is a chamber, to paraphrase some of the wording of Sir John A. Macdonald in confederation debates, for registering the decrees of the Commons and therefore of no value, or an independent House having free action of its own, opposing, amending or postponing legislation and therefore, in my mind, an antithesis of democratic rule.

I like to think that some evolution has taken place since 1867. While the Senate as an institution may have been essential to our nationhood, this position can no longer be sustained in argument. The people of Canada are represented here by their elected members of parliament. The electoral process itself has been the object of improvements, particularly in the twenty-ninth parliament when a far reaching election expenses bill was passed. This will enable Canadians from all walks of life to run for parliament without incurring a crushing financial burden. Nor should the Senate be considered a secure haven for retired politicians.

Members of parliament who have served this country well should be adequately compensated during their tenure and should be entitled, on an equal footing for all, not to the advantage of the ruling party through Senate appointments, to adequate pensions. As for other distinguished Canadians, there are other ways of recognizing their contribution to the development and well-being of our country.

In conclusion, Mr. Speaker, I wish to say that the role of the Senate as a political institution of this country ought to be decided upon in the only manner fully consistent with the existence of parliamentary democracy.

Mr. J.-J. Blais (Nipissing): At the outset, Mr. Speaker, I wish to congratulate you upon your elevation. I am pleased to see that this year the Chair has been staffed with members from the region I am pleased to represent, namely, northern Ontario. The Speaker, who is from Sudbury, will equip himself for his responsibilities with new confidence, justice and good humour. I am sure that all officers of the Chair will equip themselves for their responsibilities in like manner.

I first spoke on this particular bill, which has not changed in any particular, on the occasion of my second speech in this House. At that time I indicated I did not want to make a practice of speaking on this particular piece of legislation. However, at the beginning of the second session I found myself responding to the presentation of the hon. member for Winnipeg North Centre (Mr. Knowles). I succumbed to the establishment of a tradition, and here I am again. I will try not to be repetitious in the points I advance, because I feel this is a very serious issue.

I have noted with a great deal of respect the contributions that have been made by the hon. member for Winnipeg North Centre on this particular topic. However, I feel his main point has been—and everything seems to fall on this particular argument—that the Senate ought to be abolished because it is not an elected body. Once he states that fact and presents that argument, nothing else is of any real import; nothing else is of consequence, because the only aspect of the Senate that he finds regrettable is one that could be cured by amendment.

The thrust of this bill is the abolition, and the main reason for abolition is that the Senate is not an elected body. I responded to that argument the last time. I stated that our traditions in this particular constitutional establishment, namely, parliament, have been to have responsibility bestowed upon individuals not as elected members but as appointed members. One need only look at the Crown, the Governor General and the Lieutenant-Governors of the various provinces. They participate in the governing of this country. They are not elected, but appointed. That has been the time-honoured tradition.

As I stated in my two previous speeches on this topic, I fully agree that the Senate ought to be reformed. I feel very strongly that that institution does not now function

as it should. Indeed, the Senate itself has offered very substantial suggestions with regard to reform.

I am somewhat surprised at the attitude of the hon. member for Winnipeg North Centre. My research indicates that a member of the other place, Senator Croll, has been active for a number of years. By some strange coincidence, Senator Croll has been very active in that sector of our national business in which the hon. member for Winnipeg North Centre is also active, namely, social security legislation. The hon. member for Winnipeg North Centre knows that Senator Croll participated in the committee on aging, as well as the committee which studied the question of poverty. Indeed, he made representations that went very far in the direction the hon. member for Winnipeg North Centre is advocating. I suggest there may have been a bit of plagiarism on the part of the hon. member for Winnipeg North Centre in the propositions he was advancing in relation to social security and welfare legislation.

Mr. Knowles (Winnipeg North Centre): Or vice versa.

● (1730)

Mr. Blais: Mr. Speaker, I suggest that the Senate committees on aging and poverty advanced greatly the cause of social security in this country.

I now wish to quote from page 319 of the Senate Debates of March 13, 1973. Senator Croll had the floor. Referring to the committee on aging he said:

After that came the Special Committee of the Senate on Aging, from 1963 to 1967. That was a great plus for the Senate. The report was imaginative; it was a blessing for the aged. It is interesting to see what we said in 1966. Nobody else ever reads these reports, and now and then I feel better if I look at them. I should like to quote from that report, although I notice here some people who were on the committee and who know what was in it.

I will mention some of the recommendations made in that report. I agree with Senator Croll. The work of the Senate is not given enough publicity.

Recommendation (1) read as follows:

The committee endorses in principle the institution of an income guarantee program for all persons aged 65 and over—

Then, pensions were not paid to people under 70, but the hon. member for Winnipeg North Centre was advocating reducing the pensionable age to 65. Let me continue quoting Senator Croll, as follows:

—Then it goes on:

And the Senator quoted from the report:

The establishment of a technically competent body to study the income needs of older people and to develop a socially acceptable minimum budget for single persons and couples, which would be adjusted automatically each year on the basis of a suitable index of consumer spending or of earnings, with a review every five years to reflect changes in the relative circumstances of the working population and the retired population.

That proposal was almost realized. Senator Croll continued quoting from the recommendation, which suggested:

—that the program be administered and financed by the federal government.

—that the procedure call for the completion of a simplified income form annually and that the amount by which the declared income falls short of the established minima in any year constitute the benefit for the year following.

[Mr. Blais.]

We now have the guaranteed income supplement. I agree it is not based exactly on the recommendations in the report. I am quoting from this speech to show the influence of the Senate and Senate committees on legislation presented in this House.

As recorded at page 320, Senator Croll went on to say:

Honourable senators, we now come to the Special Committee on Poverty, 1968-72. The participants are in this house. Some senators may think that I am particularly prejudiced, and I may be. Why not? I tell you frankly that it is a bench mark in Canadian social history. It brought issues out into the open which cannot be ignored, and the report is not being ignored. We lit a fire that will not be extinguished. Our report was needed, it was provided, and it was enthusiastically received.

Let me say that the guaranteed annual income concept was really at the core of that report. Also, the concept advocated by the hon. member for Winnipeg North Centre is presently a subject of experiment in Manitoba, and is being negotiated between the provinces and the federal government. The Ontario government has instituted a program which is a feeble attempt to implement the recommendations in the Senate committee. Mr. Speaker, Senate committees have made substantial contributions to our society.

I do not think that the hon. member for Winnipeg North Centre can claim to be the author or originator of these particular policies as they were discussed in Senate committees. As the hon. member for Winnipeg North Centre himself has said, the Senate established other committees. For instance, the Committee on Land brought about in large measure legislation affecting programs such as FRED, ARDA and regional development.

We cannot value these contributions in dollars and cents. They have led to a restructuring of our national fabric. I agree that only since 1958 have we made progress because of the work of these committees. Before then there was not much activity. I therefore suggest that in the Senate we see the potential for good which will affect the entire nation. I agree that the other place is not perfect. I suggest to the hon. member that we ought to strive to reform that institution so that its contributions may multiply and improve.

When I last spoke I suggested that the Senate has no tendency to suicide. On the contrary, senators want to live forever; that is our difficulty, and there is no way they will pass legislation abolishing the Senate. They will not stand for it, unless there is a reference to the country. That being so, why not encourage the government to reform the other place?

In the same speech on March 13 Senator Croll raised 12 points concerning Senate reform which I shall bring to the attention of the House as, evidently, they have not been discussed here previously. First he suggested that:

The present absolute veto power of the Senate over all legislation should be reduced to a suspensive veto for six months according to the following formula:—

This idea has been accepted. The Senate does not exercise any real legislative veto. The hon. member spoke of the privacy bill which was sent to the Senate, amended by the Senate and sent back to this House. Any veto the other place may exercise is a suspensive veto. I can think of no legislation which will be sent to the other place and with

respect to which it will exercise its constitutional veto, although it has the power to do this. I suggest that the tradition now established should be enshrined in an amendment to the constitution.

On point 2 Senator Croll said this:

Point 2 deals with the distribution of senators. Here again I accepted what the Constitution Committee said because I thought that was the right thing to do and I could not think of anything better.

The distribution of senators should be as follows:

Newfoundland 6, Prince Edward Island 4, Nova Scotia 10, New Brunswick 10, Quebec 24, Ontario 24, Manitoba 12, Saskatchewan 12, Alberta 12, British Columbia 12, Yukon Territory 2, and Northwest Territories 2.

It is true that the two central provinces, Ontario and Quebec, exercise too much influence in parliament. Today we face difficulties concerning western alienation. We do not hear enough about eastern alienation although that, too, has become a real problem. I think different areas of the country should make representations about the fair distribution of Senate seats.

● (1740)

Senator Croll continued:

3. The supporters of any one political party should not comprise more than two-thirds of the membership of the Senate at any one time and the Canadian constitution should be amended as soon as possible to ensure this result.

I agree. It is not a fair situation where you have, in the Senate, no members from the party that the hon. member for Winnipeg North Centre represents, only 17 members from the Conservative Party, and the balance from the Liberal Party.

Mr. Knowles (Winnipeg North Centre): There is one Social Crediter, Mr. Speaker.

Mr. Blais: And one from the Social Credit. I do not agree that this is a good situation, Mr. Speaker. It is true that the Prime Minister (Mr. Trudeau) has offered that for every Conservative member who wishes to retire now a new member could be appointed from the younger members of that party. That is a very good suggestion on an ad hoc basis, and I see here the hon. member for Grenville-Carleton (Mr. Baker) who would make an ideal Senator. He has the stature.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. The hon. member for Grenville-Carleton (Mr. Baker) is a friend of mine and I do not like to hear him insulted.

Mr. Blais: Mr. Speaker, I am surprised at the hon. member for Winnipeg North Centre. Half an hour ago he was saying how he respected the people in the other place and that his intention to abolish that institution had nothing to do with the type of people in it. Now he says I am insulting the hon. member for Grenville-Carleton. Between us, Mr. Speaker, I am sure the hon. member for Grenville-Carleton is eminently pleased by my suggestion.

Mr. Baker (Grenville-Carleton): Convey it.

Mr. Blais: Now we come to the fourth point.

4. The compulsory retirement age of Senators, present and future, should be 70 years. Upon retirement, a Senator should retain the title—

And so on.

I do not agree with that particular reform. I agree with the Prime Minister's suggested reform of an appointment for seven years, or a limited number of years, with the right of reappointment.

Mr. Knowles (Winnipeg North Centre): If they are good.

Mr. Blais: Of course. The appointments would have to be reviewed and it would be part of the political process. There would be a heavier onus on the government to remove or reappoint, dependent on the circumstances. As soon as the government changed you could pull out Grits and put in Tories. You could do that every seven years, though in some cases you might have to wait two or three years. Everybody would be pleased if we got that ratio of two-thirds and one-third. Going on to the next point, Mr. Speaker, it reads:

5. The Speaker, the government leader and the opposition leader should be elected by the members of this House; the government leader by the supporters of the government; the opposition leader by non-supporters of the government.

I also agree with that particular reform. It would give independence to the Senators to elect their own House leaders both in government and in opposition. There would be some sort of coherence and, speaking from experience, there is nothing more stimulating than competition for various posts within one's own party. I say that is a reform which should be accepted. Then we come to the next point:

6. The government leader and the opposition leader in the Senate should serve for only one parliament and should not be eligible for re-election subsequently.

Again, I agree. I do not think there is much dispute about that.

7. The age of the government leader and the opposition leader in the Senate, and the Speaker, should not be more than 65 years at the time of election to that position, so that at the end of the parliament for which he or she is elected, he or she will still be under 70 years of age.

I think that is a minor detail which could be ironed out without difficulty, once the hon. member for Winnipeg North Centre agrees. Then we come to the next point:

8. The government leader in the Senate should not be a member of the cabinet.

Again there is a suggestion that there might be some backdoor influence on the deliberations of the Senate by having one member sit in cabinet. To continue:

9. The government should appoint a Senator as a minister without portfolio for the purpose of liaison with the government.

Indeed such representation in the cabinet might be one which would permit the Senator to act with a certain amount of independence both in the cabinet and afterwards in the Senate, so that the Senate operation would be determined by the leader of the government party in the Senate, and the opposition party would then be able to offer its opposition in the normal way without having a direct link to the exercise of authority in cabinet by

having the house leader in the Senate sit in the federal cabinet.

10. Minority groups have long been under-represented in the Senate. This should be corrected so that the multicultural character of the Canadian people will be reflected in the Senate.

I made that point in my first speech, Mr. Speaker. I advocate a Senate which would be composed of people from the various ethnic communities. I suggest certain communities are not sufficiently numerous in any given location to permit the election of a member to this House, and some cultural groups are not represented on public bodies for the same reason.

The Acting Speaker (Mr. Penner): Order, please. I regret that I have to interrupt the hon. member but the time allotted to him in this debate has expired.

[*Translation*]

Mr. Jacques Olivier (Longueuil): Mr. Speaker, some hon. members began discussing the existence of the Senate in this House several years ago, when I was not even born, I think.

Mr. Knowles (Winnipeg North Centre): Yes.

Mr. Olivier: My colleague says yes.

After 30 years, we still do not know whether the Senate should be abolished, changed or maintained in its present form.

This afternoon, I made a point of studying some inquiries made by the Senate. A few solutions were put forward either in the final report presented by Senator Molgat or in the report of the hon. member for Windsor-Walkerville (Mr. MacGuigan) who was then and still is a member of this House. I also examined a brief tabled by a student, and I should like to quote from it as concern the consequences or the reasons for abolishing, maintaining or reforming the Senate.

● (1750)

May I say, Mr. Speaker, that as the member for Longueuil, I do not know whether we should abolish or retain it.

I listened with interest to the hon. member for Argenteuil-Deux-Montagnes (Mr. Fox) who seemed in favour of abolishing the Senate. I also listened to another colleague opposite who is in favour of abolishing the Senate as well. Maybe you will find that I am slow in making up my mind, but they still have not sincerely convinced me of their opinions.

I would rather be in favour of some type of reform. Maybe the members of this House have not helped the cause of the Senate up to now by not trying to clarify its role. Some may have made fun of the Senate by saying: Listen, he is 50 or 70 years old, he is good for the Senate. We have sincerely tried to downgrade the role of some senators. I for one personally admire Senator Goldenberg who is an expert in labour relations and I believe that such a man is valuable as a counsellor who can pass judgment on pieces of legislation passed by the House of Commons.

I wonder, Mr. Speaker, if before coming to the conclusion that we are for or against the Senate, if we should not

ask ourselves some questions, such as what will we do with present senators. There are some very valuable people there. It is easy, in North America, to say: We'll leave them their salary, and if they go away everything will be all right.

I think that for several senators, money is not the important thing. Their intellectual gifts are not to be found easily in Canada. They are advisors and some of their inquiry commissions have guided us and helped the House of Commons to make our decisions. These are arguments in their favour.

I should like to quote three remarks from a student, Mr. David MacLean, who appeared before a committee; he was asking himself some questions on the reasons for a debate on the Senate. I should like to quote parts of his report. First, the Senate has been progressively losing some of its prestige for several generations despite the presence of famous people in the Upper House. We make unkind remarks about some members in the House of Commons and our comments about the other place are perhaps a mere manifestation of jealousy.

Some members of parliament are jealous of others. I do not know if my colleague opposite is jealous because he was not appointed but, at least, he got a seat in this House. We are not empowered to appoint him but if he wishes so, I shall be pleased to support his nomination to the Senate. I think that this undue jealousy has played a great part in discrediting the contribution of senators. When I was a little boy playing in the street, I was already reading jokes about it in newspapers. Without having ever seen a senator, I imagined them walking with a stoop, leaning on their stick. They have been discredited one way or another by the media or the people in the House of Commons, whereas I think, Mr. Speaker, and I am sure that everybody here will agree, that the matter of age has nothing to do with the ability of people. We might give them more definite responsibilities. Some people have proposed that senators be elected. I have also tried to see how an elected Senate would operate in the system we now have in Canada. We have here several parties, fortunately or unfortunately. But just imagine, Mr. Speaker, what the situation would be if the House of Commons passed a legislation and said: We are really representing the views of the majority of Canadians and we have been elected to defend the rights of citizens.

If the Senate was elected by opposition members and was entirely against us, we would say: "We are the ones who represent the people." I think that we will always be witnesses to serious conflicts which might generate several constitutional difficulties. Even the citizen would raise serious questions, because views given in the House or in the Senate are sometimes based on political considerations. I do not say that those views are not good. They can be biaised sometimes. I do not say that they are wrong, but they do not always give the full facts.

I think that if we tried to alter that role, we would be faced with more serious problems.

A number of persons have examined the role of the Senate and have said: "We will really try to renovate the whole system. We will try to inject new blood in the Senate."

A certain tradition has lasted long enough; when a member was tired of sitting in the House of Commons, or if there was one minister too many in the cabinet, he was transferred to the Senate and the matter was settled.

I think that kind of tradition has lasted long enough. I am not sure, Mr. Speaker, that I would be in favour of that kind of solution. I would rather be appointed immediately, and not once I have become a minister. I would not resent it.

Mr. Speaker, I want to talk about the new generation of those who have been appointed in the past few years. People have been appointed who had never dealt in politics, who had not been elected members of the House of Commons. I am thinking of Senator Goldenberg who, I repeat, was extremely competent in his own field, who settled several conflicts in Canada, who was also of great help to us in dealing with problems, and who, in addition is counsellor for several members from all parties.

Several Senators are competent and apt to prompt members of the House into honest judgments.

I believe, Mr. Speaker, that saying that one is in favour of or against the Senate is not the right way to deal with that problem. Considering the quality of the members of the Senate, I think we should ask for their opinion about it. Solutions would be a lot more constructive. Before making hara-kiri, they too will weigh every consequence of their action, including those of a personal nature for sure.

As I said before, those consequences do not seem to matter very much to them. Their preoccupations seem to dwell mainly in intellectual spheres. At that level, they are also in a way ombudsmen for citizens from every region.

Let us imagine, Mr. Speaker, and let us hope this will remain a blank conjecture, that a majority government be elected by two provinces of Canada only. If a government were to be elected by two provinces in Canada only, and if, moreover, that government used its power to legislate according strictly to its own will in favour of those two provinces, then the Senate would have a part to play. That is the kind of possibility which would make me think twice before abolishing the Senate, because I feel that those men could then play a protective role and represent all the areas of Canada.

If a government, because of the constitution, a democratic vice, took unfair advantage of the situation, the senators could say, because they are not answerable to the people: Listen, gentlemen of the government, you are in the process of favouring one part only of the country, because of your power—assuming the government had been appointed by two provinces only—you should perhaps start to be more realistic and think of the country as a whole.

To my mind, its role is much more—

Some hon. Members: Question.

Mr. Olivier: Mr. Speaker, I can understand that some hon. members should be eager to vote for or against the abolition of the Senate. Still, to my mind, the matter is more important—

[*English*]

The Acting Speaker (Mr. Penner): Order. The time allotted for private members' hour having expired I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

FEDERAL BUSINESS DEVELOPMENT BANK ACT

MEASURE TO ESTABLISH CORPORATION

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved that Bill C-14, to incorporate the Federal Business Development Bank, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, in July of last year I announced in general terms some important measures to encourage and assist further the establishment and growth of Canadian small business. In order to implement those measures Bill C-14 was tabled on October 7, 1974, to provide for the creation of a new Crown corporation which will bear the name "Federal Business Development Bank". The main body of the bill, with minor alterations, is the same which was tabled as Bill C-20 during the last session of parliament. Hon. members will recall that at that time that bill received second reading. Because there are a large number of new members in this parliament, and because there are two additional clauses to the bill, I think it wise to deal with the introduction of second reading rather more fully than otherwise might have been considered necessary.

I propose to deal with the bill under six different headings; the powers and the criteria governing the use of the powers of the Federal Business Development Bank; management counselling—services to be offered; management training; information services; organizational structure; and financing arrangements.

Before moving to these separate sections, I should like to provide a little background to the purposes and philosophy behind this new institution. It has been the result of a very careful assessment of the requirements of small business. This assessment has been based on the considerable experience which the government has gained with a range of programs designed to meet specific needs and which it has introduced over the years. What the Federal Business Development Bank does is to combine a number of these programs, give them new thrust and orientation, and provide a new organizational structure and guidelines under which it will be operated in a co-ordinated manner.

The new bank will provide a focal point for information, management counselling, training and financing. Small

businessmen who need information on government programs will find such information available at the branches of the bank, some 60 in number right across the country. Those in need of management counselling to solve business problems will find it available at rates which they can afford. If financing is the requirement, small businessmen will find what loans are available under flexible arrangements if such financing is not available on reasonable terms and conditions from the private sector. Moreover, the new bank will develop and enlarge the present program of management seminars and, in general, provide management training courses in conjunction with the provinces, universities and community colleges.

While the Federal Business Development Bank will bring together the necessary facilities to meet the main requirements of small business, it will not meet all of them. When facilities outside the bank are required, Federal Business Development Bank personnel will be able to refer clients to the sources of the additional help they may require, and provide competent assistance to enable them to secure it.

In taking steps to create the Federal Business Development Bank the government is primarily concerned with the needs of small business which are not being met by the private sector on terms and conditions that the small businessman can accept. The intention is to supplement or complement these private services when, for one reason or another, they are not available to the small businessman. I would go further, Mr. Speaker, and say that the bank will be under clear instructions to encourage small business enterprises which have developed an appropriate degree of strength to secure future financing and counselling services from the private sector.

Thus, Mr. Speaker, the three key elements in the philosophy of the Federal Business Development Bank are: first, co-ordinated programs under independent management to meet the major needs of small business; secondly, the provision of a focal point where the small businessman can find a competent person to talk to about his problems and requirements; and thirdly, concentration on filling the gaps which exist in the private sector rather than competing with private institutions.

These elements are summed up in the objectives of the new bank, which you will find set out succinctly in clause 4 of the bill, and I can do no better than read them to hon. members:

(1) The objects of the Corporation are to promote and assist in the establishment and development of business enterprises in Canada by providing, in the manner and to the extent authorized by this Act, financial asistance, management counselling, management training, information and advice and such other services as are ancillary or incidental to any of the foregoing.

(2) The Corporation in carrying out its objects shall give particular consideration to the needs of small business enterprises.

I should like to turn to the powers, and the criteria for the use of these powers, in the bill before us. In order to carry out these objectives the new bank will require certain powers and an indication of how these powers should be used. With regard to financing operations the legislation provides the bank with a full range of powers to enable it to meet any financial need of small business. It will be empowered to make or guarantee loans, to enter into underwriting agreements, to make equity investments, and to engage in leasing—five separate financial operations.

[Mr. Gillespie.]

● (2010)

The powers are similar to those now exercised by the Industrial Development Bank, with the exception of leasing, which is considered a desirable addition in order to equip the new corporation with a full coverage of the various kinds of financial resources which are available to present day businesses. Certain of the basic criteria to be set up for the use of these powers will also be basically similar to those of the Industrial Development Bank.

Financing is to be made available only when (a) a person is engaged or about to engage in a business enterprise in Canada, (b) credit or financial resources may not otherwise be available on reasonable terms and conditions and, (c) the enterprise may reasonably be expected to prove successful. I might underline that third condition.

However, whereas the Industrial Development Bank Act requires that the amount invested or to be invested in the enterprise by persons other than the bank, and the character of that investment, should be such as to afford the bank reasonable protection, it is now proposed that this last mentioned condition should be replaced by one requiring only that the amount and character of the investment should be such as to afford a reasonable expectation of a continuing commitment to the enterprise by persons other than the bank. It is hoped that this will replace the note of caution struck in the previous act with a more flexible and freer approach to the needs of a small businessman in solving his financial problems.

The objective of the bank, coupled with powers and criteria for the financial services program, is designed not only to enable the provision of financing when it is not available from the private sector on reasonable terms and conditions, but also to encourage private institutions to provide such financing.

The decision on what are reasonable terms and conditions will be the responsibility of the board, as it is not possible to provide other than broad guidelines in the changing circumstances of the financial markets. While these powers, except for leasing, are similar to those under which the Industrial Development Bank has operated successfully for many years, it is expected that the new bank will make fuller use of them.

I confidently expect that the establishment of the new corporation, the scope for innovation and imagination opened up by the new responsibilities to be given to it, and the stimulation to thought aroused by the discussion and consideration that has led to our proposing the establishment of the new corporation will stir up new approaches to the financial needs of small business.

I would expect this to be particularly the case with respect to the providing of equity financing, where this is desired and required by a small business and is peculiarly suitable to its needs. This appears to be a better means than a loan of providing it with a suitable financial structure. With regard to term lending, no specific limitation is placed on the size of loan or size of business which may be financed, but general guidance is given that particular attention is to be paid to the needs of small business.

Under similar guidelines slightly over 77 per cent of the loans made by the Industrial Development Bank are for $50,000 or less, and the average authorization is now around $44,000. It is the government's intention that the Federal Business Development Bank concentrate its financing activities in the same way to meet the needs of small business.

The new bank will also employ flexible lending techniques in recognition of the sometimes difficult financial situation of small businesses. For example, consideration will be given to delaying repayment of principal for several years, and arranging repayment schedules with balloon payments at maturity. These are only two of a number of flexible techniques which I expect will be used to tailor the bank's financial services to the needs of small businessmen.

Hon. members may recall that I stated on July 11, 1973, that the new bank would build on the existing strengths and organizational network of the Industrial Development Bank. This will indeed be the case. The Industrial Development Bank has, at present, 68 branch offices operating out of five regional offices. These will provide the initial office structure of the new bank.

On the financial side the Federal Business Development Bank will start from a strong base as the outstanding loans and commitments of the Industrial Development Bank total more than $800 million. Its clients currently number more than 19,000. Thus the new bank will begin its operations with a strong organizational structure and a substantial clientele.

Although the new corporation is to have responsibilities in the field of management services additional to and different from the functions of the Industrial Development Bank to date, the new corporation will have a great advantage in being able to build these new services on the widespread organization of the Industrial Development Bank, and in drawing upon its long experience in the field of assisting small business. Working from a relatively small equity capital base, which has gradually grown to the present amount of $71 million, the bank has been able to supply over $2.7 billion of financing to approximately 41,000 businesses from coast to coast, representing employment estimated at more than 600,000 people. The Industrial Development Bank has now an experienced and devoted staff of approximately 1,400 people whose expertise will, of course, be at the service of the new corporation.

I would now like to outline the new aspects that this new corporation will be emphasizing. The first on which I should like to touch is the management counselling services to be provided by the proposed corporation.

The new bank will have the power to provide management counselling services, directly or through others, to persons who are engaged in, or about to engage in, a business enterprise in Canada, who meet criteria established by the board, and when such services will supplement other available services from the private sector. The bank will have the power to underwrite the cost of providing counsellors when the requirements cannot be met by the bank staff.

The management counselling service will initially be provided by the Counselling Assistance to Small Enterprises—the CASE program—of the Department of Industry, Trade and Commerce, which will be absorbed into the new bank. However, officers in all branches of the bank will be available to provide a sounding board for ideas developed by existing or prospective small businessmen to assist them in working out a viable idea that could be the basis of a commercial plan. According to need, the small businessman could then be directed to the appropriate source of information, expertise, or financing to meet his need.

The bank will also have available counsellors who will provide detailed management advice in particular areas. This will be done initially by following the pattern already established by CASE in the use of retired executives as counsellors, and by the use of private counsellors when retired executives are not in a position to deal with particular assignments.

The CASE service is accordingly being expanded geographically in close consultation with the provinces, and the intention is to extend the coverage to the service sector in addition to the manufacturing and tourism sectors. In that regard I would expect there will be close to 1,000 retired business executives in the field in that CASE program by the end of this year, whose talents and experience will be used to help small businesses. I think it is one of the most imaginative and successful programs launched in a long time.

As the bank gains experience in the area of management counselling it will explore ways of improving, modifying and expanding these services. Here again I think that the new bank will have an important role to play. At the present time such services are being underwritten by the Department of Manpower and Immigration. This will be part of the co-ordination of a variety of services under one institution.

● (2020)

The new institution, therefore, also would have the power to sponsor, support or organize conferences, seminars and other meeting for the promotion of good management practices. In this area the prime responsibility of the bank will be to pinpoint the needs of small businesses which can be filled most effectively by training, and to meet these needs with the most effective training methods available. Consultation with provincial educational authorities, business associations, small businessmen and educational consultants will all be necessary to ensure that training initiatives are appropriate, effective and complete.

The training service will establish priorities, develop courses, or make contractual arrangements for the preparation of course materials by recognized experts, and assist provincial government departments in the implementation processes. It will also play a useful role in developing and facilitating the exchange of information on implementation techniques, publicity, teacher training and other related teaching aids.

To fulfill these responsibilities initially, the bank will take over the owner-manager training program of the Department of Manpower and Immigration. The relevant courses are short and oriented to specific aspects of small business management. The Bank will also continue the

one day small business seminars provided by the Industrial Development Bank at different locations across Canada, with emphasis given to small cities, towns and remote areas where such services are not otherwise available.

The fourth heading that I wanted to enlarge upon is the information services section. The new bank will have the power to develop and operate an information service, publish and distribute information relative to the mandate of the bank, as well as to provide advice on federal programs for small business and on assistance available to small business from others. To this end the bank will seek to establish close and continuing communication with provincial authorities.

This will be a major new thrust as the bank will act as a focal point for information on the wide range of federal services and programs designed to meet the needs of small business. The information services, to be provided locally through all offices of the bank, will be free to all interested persons and will be aimed at small firms that do not have the resources to seek out help from the multiplicity of specialized sources of assistance to small business—particularly those of the federal government. The services of the bank itself will also be made known more widely in this way. In addition to the immediate practical value to the inquirer, the information services will represent another two-way channel of communication between the businessman and the bank.

The activities of the information services will take several forms. The experienced local officers providing the services will give inquirers comprehensive information, competent advice, and direct referral on the entire range of federal assistance programs and services for small business. The bank will provide reference libraries and booklets on a broad field of small business management subjects, and will publish and distribute "industry profiles" containing typical costs and operating data for specific industries.

In this way it will share with the public the experience gained by the bank and its precedessors in dealing with thousands of small businesses over many years. A small business news bulletin highlighting various assistance programs, business developments and many other forms of guidance to its readers, will be distributed to many thousands of small business operators.

Now I should like to speak about the organizational structure. In deciding on a corporate structure for the new bank the government has had several considerations in mind. The first is that the new bank should have a considerable degree of independence in its day to day affairs. The second is that it should be guided by a strong top management that is well versed in business practice and familiar with problems peculiar to small business. These considerations have led to the decision to establish the Federal Business Development Bank as a proprietary corporation pursuant to section 66 of the Financial Administration Act. It will report to parliament on its activities through the Minister of Industry, Trade and Commerce.

These same considerations were of importance in determining the number and composition of the board of directors. Ten of the fifteen directors will be chosen from the private sector to ensure broad business representation and access to business experience and expertise. To provide equitable geographic, cultural and population representation, two directors will be chosen from each of the five geographic regions of Canada. These members of the board will be appointed for a term of three years by the Governor in Council on the recommendation of the Minister of Industry, Trade and Commerce. The remaining members of the board will be four senior federal officials, and a full time president who will also act as chief executive officer. A chairman, who will preside at meetings of the board, will be appointed by the board from among its members.

Provision is also made for an executive committee to deal with matters not specifically reserved for the board when the latter is not in session. Its composition is outlined in the bill.

I think the following is an important innovation. In order to emphasize the regional character of the new bank, and to ensure that regional and local views are taken into consideration in establishing the policy and operations of the bank, regional advisory councils will be established for each of the five geographic regions of the country. Each council will be composed of up to twelve members from the region, including the two board members, a senior bank officer and a senior DREE officer. Private members will be appointed by the Minister of Industry, Trade and Commerce. These councils, while purely advisory in nature, will review the bank's activities in their regions and will make recommendations to the board of directors regarding the activities of the corporation.

I am convinced that these regional advisory councils will serve a useful purpose and will further accent the regional character of the new bank.

The organizational structure of the new bank will be a matter for the board to decide, but it can be envisaged that it will be built around its two major objectives of providing financing and management services. These two components will have to be well-coordinated at different levels of the bank's organization so that a fully client oriented and comprehensive service is made available to small business in Canada.

While the new bank will be able to build on the experience and organizational structure of the Industrial Development Bank, CASE and other programs which will be brought into it, it will be a big and probably lengthy job to structure a complete service which can meet the requirements of small business in all parts of the country. The government will ensure, however, that those who are put in charge of these services will be qualified to undertake their tasks with initiative and energy.

The next matter which I should like to touch upon is financing arrangements. The financing of the new bank will involve separate budgets for the financial services and for the management services operations. For its financial operations the bank will have an authorized capital of $200 million and a debt to equity ratio of ten to one. A capital budget for financing activities will be submitted each year for the approval of the Governor in Council. In accordance with this budget the bank will borrow at the Crown corporation rate for the appropriate term.

● (2030)

The management services element of the bank will be financed through parliamentary appropriations in accordance with the normal steps of the budgetary cycle.

The organization which I have outlined will, I think, enable the Federal Business Development Bank to carry out its mandate with a substantial degree of independence. However, its operations will be followed closely by my department which, along with other departments, will be represented on the board. It will also be possible for parliament to keep in close touch with the operations of the bank when appropriations are considered each year for financing the management services operations.

In concluding, Mr. Speaker, I would like to return to my opening remarks in which I said there were two additional sections added to the present bill which were not in the bill tabled in parliament last spring. In the meantime the continuing growth of the Industrial Development Bank has led to its coming up against the statutory limitations in the Industrial Development Bank Act in its lending operations. Indeed, it has already reached the point at which it cannot make further commitments for loans in excess of $200,000.

The Industrial Development Bank Act places two restrictions on the scale of its lending operations. Section 15 of the act stipulates that the total direct and contingent liabilities of the bank shall not at any time exceed ten times the aggregate amount of the paid up capital and reserve fund. Section 16, subsections (3) and (4), stipulates that the aggregate of the amounts of the loans or guarantee liabilities outstanding in amounts in excess of $200,000 shall not at any time exceed $200 million.

On the basis of current projections it seems likely that the ceiling on total liabilities of the Industrial Development Bank will be reached some time next spring. Thus, after taking account of the lag between authorizations and disbursements, it is estimated that the Industrial Development Bank may find itself, early in 1975, in a position where it would have to curtail its lending activity.

The purpose of clause 59 of the Federal Business Development Bank Bill is to amend the Industrial Development Bank Act by increasing its authorized capital by $50 million, thus providing it with new lending power, and by repealing section 16, subsections (3) and (4), of the Industrial Development Bank Act. Briefly, the subsections of section 16 which are being repealed provide that the aggregate of loans exceeding $200,000 must not, at any time, exceed $200 million. There is no provision of this nature in the Federal Business Development Bank Bill and, in effect, this transitional measure merely enables the Industrial Development Bank to function as it would function after proclamation of the Federal Business Development Bank Act. You will note that clause 60 provides that clause 59 shall come into force on the day that the act receives Royal Assent.

I have rather comprehensively outlined the philosophy and main provisions of this innovative new institution for the assistance of small businesses in Canada. I look forward to the committee meetings at which time we can go into it in great detail.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I daresay this speech will set a record as being the shortest I have ever made in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Hees: Listening to the minister tonight I was very glad to see that the Department of Industry, Trade and Commerce is going to continue the program of financial and technical assistance to small business which was started by a Conservative government a few years ago.

Some hon. Members: Hear, hear!

Mr. Hees: I should like to congratulate the minister on having the good sense to follow the successful pattern established at that time for small business. We in the opposition welcome this new bank which will provide loans and technical assistance, the two things so essential to the growth and expansion of such business.

We welcome the bill as well because the capitalization of the bank will be considerably increased from that of the Industrial Development Bank, thereby making more money available for loans to small business. The attitude of the Department of Industry, Trade and Commerce has always been far more expansionist than the attitude of the Bank of Canada which, as you know, controls the Industrial Development Bank. It is to be sincerely hoped that the attitude of the new bank toward loans for small business will be considerably more expansionist than that of the Industrial Development Bank in the past which had a tendency to be very restrictionist. We hope this new bank will be freer in granting much needed loans to small businesses for work they have on hand.

As we know, Mr. Speaker, small business creates over 50 per cent of our gross national product, pays close to 50 per cent of the taxes collected by all forms of government, and employs more than 50 per cent of all the people who work in this country.

A great deal of capital is required to enable small business to expand and develop. The health of the economy depends very much on this expansion.

We in the opposition welcome this new bank and will be watching its operations very closely in the months ahead to make sure that it meets the needs of small business in the growth so necessary to the Canadian economy. If this should happen it will receive our commendation but, if it does not, it will receive our criticism. We hope it will benefit from the mistakes made by its predecessor which was too restrictionist on many occasions, and that it will adopt the attitude of the Department of Industry, Trade and Commerce over the years and be an expansionist bank making loans liberally—

An hon. Member: It is a Liberal bank.

Mr. Hees: Mr. Speaker, naturally anything I say about liberal is a small "l". We hope this new bank will be a credit to our economy in the months and years ahead.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, it is always a pleasure to follow the Minister of Industry, Trade and Commerce (Mr. Gillespie) and the hon. member for Prince Edward-Hastings (Mr. Hees).

This bill was adopted in substance by this parliament last year and at that time our party supported it in principle. We intend to support Bill C-14 as well. This bill provides technical and counselling services to small business, as well as needed capital.

For years in this country small business has been ignored by different levels of government. It seems ironic that when the free enterprise system started to develop, it evolved from the small businessmen in this country. We have seen them develop into large corporations, then into multinational corporations vertically integrated, finding raw materials, processing them, developing transportation and so forth, but in the process other small businessmen have often been squeezed by the larger powers.

● (2040)

How can a small businessman in a small town compete with Safeways or Loblaws? Because of their size, large corporations can effect economies of scale, economies not available to the small fellow. In the past, governments have legislated more in the interest of the huge corporation, because it represents power. It is the old story: the squeaky wheel gets the grease. How true, even if the small businessman is hurt in the process!

Let me say this on behalf of the small businessman, Mr. Speaker. He is necessary in our society. In my constituency he plays a useful role. Besides, the small businessman offers a personal touch which you will not get from the large corporation or large bureaucracy. Also, in many small, rural communities, in the far north and in remote areas, the small businessman provides a sort of personal service not available from a large corporation. Many small businesses are family enterprises. They stay open long hours, but provide their community with a needed service. All the same, many small businessmen have gone bankrupt. Not being able to make ends meet, they have closed their doors.

I welcome the establishment of the Federal Business Development Bank. It should help the small businessmen of this country who urgently need help. A riding like mine contains many small businesses, many of which need help. I could elaborate on some of their problems, although the minister dealt with most of them. For instance, they face the problem of obtaining capital at reasonable interest rates, a problem large corporations do not encounter. The large corporation has access to financial markets, can re-invest retained earnings, and so on. The small businessman cannot do that.

Many small businessmen complain about lack of counselling services. I am glad to note this aspect covered by the bill, as small businessmen have lacked access to expert advice in their own fields of interest. One part of this bill is especially useful as, under it, small businessmen will more readily have access to such advice.

There are other areas in which small businessmen face difficulties. They cannot trade as effectively as the large corporation. We shall discuss the Export Development Act tomorrow. Such legislation has tended to favour the large corporation, and we have totally forgotten this country's small businessmen. I should like to see an amendment in this area. I want to see some sort of limitation, or ceiling introduced which will enable the small fellow to have some advantage from the Export Development Corporation. Actions like that will complement the legislation we are discussing. Unless we do something like that, the purpose of this and other similar legislation, will be nullified.

Let me also mention taxation, as that affects the small businessman. Let us bear in mind the bureaucracy with which he must contend. These are but some of many problems small businessmen face. Remember, private banks and financial institutions have lent less and less money to small businessmen in the last few years. Consequently, the latter found it difficult to keep going let alone expand their operations. That is why this bill is necessary.

One could say other things about this bill. It helps not only the small businessman; it helps also the banks and financial institutions of the country. If, under this bill, we provide low interest loans to small businessmen, we shall be releasing the money, such as it is, which banks and private lending institutions might lend small businessmen. In short, we shall allow the banks to use that capital which ought to be lent in part to small businessmen to make profits for their shareholders.

The sad part is that this bill will become a bit of welfare, a hand-out for banks. As it is, I think banks should allocate money at low interest to small businessmen. They should do the same in the housing field, and the same for farmers and fishermen. The government never made it mandatory for banks to allocate funds at low rates of interest to help those groups which most need help.

Indirectly, as I say, this bill will help our private chartered banks. I see the hon. member for York-Simcoe (Mr. Stevens) in the Chamber. He has often told us about the power of the chartered banks and their assets which run into billions and billions of dollars. The same could be said of the insurance companies and finance companies.

The time has come in Canada for the people, through their government, to make more decisions on how money is to be invested and what our economic priorities are to be. In the past, private chartered banks and similar institutions made these decisions for us. They did our planning. This is a problem we will need to face in the near future.

How will we implement such a suggestion? The Federal Business Development Bank might operate like a commercial bank, become publicly owned, and compete with the private chartered banks of this country. I should like to see that. It could accept deposits from Canadians and handle government accounts such as CMHC, the Canada Pension Plan, and so on, and really compete with the private chartered banks. Then we might see something being done to lower the cost of living and slow down inflation in this country. Besides, those who are staunch believers in free enterprise should welcome the competition.

If we did what I suggest, the new bank could compete effectively with the private, chartered banks. It could lend money to small businessmen at low interest rates, and lend money to farmers and fishermen. It could make available money for house mortgages at 6 per cent or 7 per cent, or at whatever rate we deem desirable and necessary. Why not do something like that? It would be a bold action,

one which the country needs. In this way our people could confront the power of huge corporations. I suggest it is time we did so.

Apart from the reservation I mentioned I think this is a useful bill and I will support it. I look forward to discussing it in committee, and hearing the minister clarify some of its details.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, before Bill C-14 is referred to committee I could not miss this opportunity on second reading to congratulate the minister for his presentation. I see he only wanted to extend the old Industrial Development Bank, and I realized listening earlier to the NDP spokesman that the minister has already been urged to further enlarge the scope of that bank. But I wonder after listening to the minister why he did not simply introduce the necessary amendments to the old Industrial Development Bank with which we were used to work.

I do not know if it is because that bank was set up by another government in 1944 or because he wants to be able to say: I introduced a new bill and created a new bank. That is probably why because when I read the data, the explanations on the Industrial Development Bank it seemed to me tonight that I was hearing the Speaker in 1944 introducing the proposed Industrial Development Bank when he stated, for example, about the general conditions:

LET THE CORPORATION BE LOCATED IN CANADA

The bank can provide financial assistance to nearly all types of manufacturing and commercial businesses, both wholesale and retail businesses, primary or secondary industries, tourist and entertainment businesses, service, construction and transport businesses, professional services and others.

Only a few types of businesses cannot receive assistance from the bank because of the nature of their operations. Among those businesses are those whose function is to lend money and those which derive a large part of their incomes from the sale of alcoholic beverages. Furthermore, the bank does not make loans either to finance residential facilities or develop housing neighborhoods.

He talks about the aims and objectives of the bank. I continue:

Most loans made by the bank are for the purchase of land and real estate, for the construction, the alteration or enlargement of buildings . . . or the purchase of machinery parts and equipment.

It may happen that an undertaking, as a result of the purchase of equipment or other capital expenditures, has reduced its cash flow to an insufficient level. In such cases, the bank will consider its application for restoring it.

In principle, the bank does not advance capital to finance stocks or accounts receivable because this type of financing can be had from chartered banks and other sources of short term credit. Still, when an expanding business is short of cash flow, when it seems possible to grant it a mortgage loan, the bank will take into consideration application for a loan intended to improve the cash flow and add to the short term financial assistance—

And so, mention is made of financing. The bank can take part in the initial financing of new enterprises, as the minister said tonight when introducing his new bank.

The bank takes into consideration any application for a loan to facilitate a change of ownership under certain circumstances—

Thus, the terms and conditions of the loans are dealt with as they are this evening; in addition, the bank can lend or guarantee loans. The bank can also make surveys. With respect to the purchase of securities or contracts, the bank will provide financing. I continue to quote:

When part of the financing required by an incorporated company is provided by the bank under the form of a term loan guaranteed by fixed investments, the bank can, when advisable, assume an additional part of the financing by purchasing with the intention of reselling them to the owners or others subsequently, a number equity and preference shares or convertible bonds. However, generally the bank will acquire only a small number of ordinary shares from a company.

Mr. Speaker, all this shows the similarity between the Industrial Development Bank and the Federal Business Development Bank which the minister wants to create.

We are very satisfied with and support the amendments that give greater scope to the Industrial Development Bank. I think this will benefit all Canadians and small businesses. The bank already has a working capital of $349 million, which, with an added $200 million, makes up considerable assets that will give greater scope to the project.

If the Industrial Development Bank has so well served Quebec, I hope the new bank will do even better; a press release of April 25, 1974 reads:

During the three months ending last March 31, the number of loans granted by the Industrial Development Bank has increased by 34 per cent and their aggregate by 39 per cent over the same period in the previous year. During the second quarter of the current IDB's financial year, 387 loans have been granted to Quebec for a total of $20,280,000. For the same period last year, the figures were 289 loans, and a total of $14,571,000.

During the quarter ending March 31, the IDB has approved 844 loans to Quebec for a total of $42,434,000.

We realize therefore the work carried out by the Industrial Development Bank. With the assistance the minister has just granted the new bank, which will in fact replace that created in 1944, I think that Canadian owners of small and medium size industries will have every reason to be satisfied if the promises made by the minister in the House materialize. I repeat: if they materialize. If the former bank was useful to us in the industrial area, it left somewhat to be desired at the administrative level.

When the minister stated tonight that the purpose of this bank was first of all to inform people through training courses, I feel that the former bank had also advocated this project.

But we never had these training courses on an industrial or commercial level for new industries. I therefore hope that the words of the minister will become reality because it is not sufficient to give money, to finance a small industry. The best help we can give it is to tell it how to progress with new methods, how to develop and how to improve its technicians.

Talking about technicians, I hope the minister will not get rid of all the present personnel of the Industrial Development Bank. These employees should be used to provide industrialists and tradesmen with the advice that he has just mentioned.

We are now talking of lending money for financing purposes. Mr. Speaker, if we act like in the past as concerns interest rates, if we do not decide to lend money at a reasonable interest rate which will allow young industrialists and tradesmen to develop their industry without spending all their money on interests, I am sure that once again this bank will not benefit the small industrialist,

because I cannot see an industrialist or a tradesman start in a new business by borrowing at rates of 13, 14 or 15 per cent. This is financially impossible!

This is why I call the attention of the minister on this. The committee must discuss the problem of interests. The interest rates on loans should be normal and not excessive, and when I talk about normal interest rates, I mean rates of 6½ or 7 per cent, even though the government may have to grant money because of this, to allow the industry to survive more than three, four or five years, as is now the case. Help has been obtained from the Industrial Development Bank. The industries that were helped survived for two or three years, in other words as long as they obtained help from the government. But as soon as they have to pay by themselves the interests that they are charged, they go bankrupt. This is simply advance warning to the minister. I know that, when the bill goes to committee, such matters will be dealt with, if the purpose is really to ensure the well-being, the progress and development of small business.

I congratulate the minister once more, in the belief that with a few amendments in committee, every small business man, whether in commerce or industry, will benefit.

● (2100)

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I am honoured to follow in debate the leading speaker for our party, the hon. member for Prince Edward-Hastings (Mr. Hees) who, with characteristic modesty, a modesty which has become his hallmark, did not indicate to the House that it was during the government of my right hon. friend from Prince Albert (Mr. Diefenbaker), in which he was the minister of trade and commerce, that the program of which he spoke was started. He laid a cornerstone, I think, in a modern era of Canadian government, dedicated to the assistance of small business.

I spoke to the minister before the dinner break this evening and I told him I thought this was an excellent bill, and that the time had long since passed when the government ought to forget its passion for large business and large corporate enterprise and give some constructive thought to the problems of small business in Canada.

Although it hasn't been said before in this debate, and it does not take away in any way from the goodness of the bill before the House tonight, the problems felt by small business are due in no small way to the attitude of the government toward small business.

You have only to speak to small businessmen; they will tell you they have felt discriminated against by government. They feel the government looks upon small business with indifference, and they have reason to feel that way. They feel there is excessive regard given by governments generally, and by the present government in particular, to the supposed virtues of large size. They claim that the government is overly concerned with large firms, not because of their real contribution to the national wealth—and they do make a contribution—but because of a mistaken equation of great size with great efficiency. I think hon. members know that this equation does not necessarily apply. I want to repeat to the minister that I do not in any way detract from the qualities of the bill reforms, which I look upon as constituting a new beginning for small business.

Small business is indeed in trouble in certain areas of Canada. It is fighting a rearguard action in the economic sphere. In 1962, for instance, a 10.4 per cent share of the nation's income went to small business. In 1973, the share had fallen to 7.5 per cent, and I dare say when the statistics are viewed for 1974 we shall see a further fall off in terms of the share of the national income to small business.

Small businesses are a unique form of enterprise. They provide a productive outlet for the energies of Canadians who are enterprising people and who want to be independent in terms of their economic way of life. I believe they exhibit a greater efficiency when stacked, pound for pound, against large business. They have a capacity to become the specialist suppliers of large business and they add variety and service, a specialized skill, to the economic life of our country.

They provide competition. It cannot be over-emphasized that they do constitute a bulwark against monopoly in business, and they provide the means for the entry into productive business of many young people. The hon. member for Prince Edward-Hastings mentioned the number of people who are employed in small businesses. They employ half the people in Canada. They are a large and developing source of employment. They provide for new directions and new methods of doing business, and they offer an opportunity for personal initiative which, in a society such as ours, is growing less and less.

I commend the minister for recognizing these things even though that recognition has come somewhat late. My experience with the Industrial Development Bank was as a solicitor, acting for people who applied to the bank for capital. I found that the greatest complaint among those of my clients who made application—and this was fairly general—was the lack of flexibility in the attitude of the bank toward the difficulties of small business. I do not suggest the officials were actively pursuing this policy. They were prudent, cautious, bankers.

Like the hon. member for Prince Edward-Hastings I hope experience will show that the movement of the bank out of the banking atmosphere and into the atmosphere of industry, trade and commerce will provide an expansionist viewpoint for the first time toward small business in terms of financial assistance.

I hope the minister can undertake, when he closes this debate, that the attitude of this bank when it functions will not be to stack against the number of loans the small numbers of business failures. Rather, I hope the bank will deal with this from the point of view of the amount of loans, because sometimes viewing it from the small amount of business failures among businesses which have been backed by the bank it may indicate an attitude of too great conservatism and not enough adventure by the government in the application of this fiscal agent to those whom I regard as some of the greatest adventurers, in the economic sense, that there are, namely, the small businessmen in this country. If there is to be an emphasis at all on the flow of capital from the bank to aid business, it ought to be in that direction. I hope this will be considered in the

committee and that the minister and the officials of the bank will consider it as well.

● (2110)

Lastly, I should like to commend the minister and the government for looking at the regional aspect of the problems of financing Canadian small business. I am sure that the problems of Newfoundland are different from the problems of British Columbia, which in turn are different from those of the province of Ontario and, in some aspects, those of the province of Quebec. I think it is a very healthy thing that we are recognizing the difference that exist in our Canadian economy community.

I am very pleased to take part in this debate, however briefly, and to commend the minister and the government for bringing the bill before the House. I hope we will see passage of this stage today. I frankly regard it as a very important, innovative step and its real contribution will be brought to fruition if the proper attitude is taken by the administration of the new institution.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, it is with great pleasure that I rise to speak on Bill C-14 this evening. This bill has the potential to help business expansion in Canada, and especially small businesses which I feel are the backbone of the nation.

The objects of the new Federal Business Development Bank are to promote and assist in the establishment and development of business enterprises in Canada through financial assistance, management counselling and training. With business failures totalling 1,412 for the first quarter of 1974 in Canada, it will be hoped that the development bank's management and counselling training will slow down the number of business bankruptcies.

A section of the bill which I favour is the appointing of regional advisory councils which will have a better understanding of Canada's regional needs than a centralized advisory group in Ottawa. Many aspects of the bill are similar to the Canadian investment credit incentives program which was introduced by the Conservative party in October, 1972. We in the Conservative party realized then that, with the fantastic amount of business failures in Canada, immediate and decisive action must be taken to assist small business in Canada.

Attempts at tax reform led the federal government to ignore the vital interests of small business, and yet small business in this country generates more employment, more real growth, more tax revenue, and bears more of the cost burden of government than does the so-called big business.

Full employment is a national priority, and for this we must look to those elements in our economy which are less influenced by technological change and that remain labour-intensive, such as small business. Far too much of this section of our economy is presently ignored and excluded from consideration by government policy, and excluded from the encouragement of fiscal incentives. Bill C-14 should encourage these incentives.

Assistance, financial and otherwise, unfortunately is not the only answer to help business grow in Canada. Commercial enterprises in Canada, large and small, are experiencing great difficulties in finding workers, both skilled and unskilled. Yet we have thousands on welfare and on the Unemployment Insurance Commission rolls, and we also have to import workers to help keep some industries going. Strange but true. Recently two motels had to close down in Banff because they could not find help. Until the work ethic is restored in Canada, financial assistance alone to business will not be sufficient to keep it going or expanding.

The introduction of the just society and the leisure society since 1968 has brought about this deterioration of the work ethic in Canada. The blame for worker shortage, while thousands are collecting unemployment insurance, lies squarely upon the Liberal government and its mismanagement of the Unemployment Insurance Commission.

I would like to quote from a letter I have just received from the executive vice-president of the Winnipeg Builders Exchange as an example of the difficulties they have in finding manpower. They also point out how workers play games with the Unemployment Insurance Commission. I quote:

> Three months from now our industry will again be entering that difficult stage where we are unable to obtain skilled manpower to work on our projects during the winter—a time of the year when large numbers of skilled tradesmen have been laid off due to the seasonal swings in the construction industry.
>
> This situation has worsened each of the past winters until it reached the point during January, 1974, where our association took an active role in the employment scene. We detailed completely the requests of employers for more than 100 tradesmen of varying qualifications; followed the applications made to both the union hiring centres and Canada Manpower offices; followed up weekly and in some cases semi-weekly for the placement of these people; and followed bi-weekly with the employers to determine the results they were receiving. The employers, on their part, kept detailed records of every person applying to them or sent to them for work, including names and addresses. We were then able to report to the Unemployment Insurance Commission the number who refused to work in their trade in jobs requiring their comparable skills.
>
> One of the results of this activity by our office—aside from the main objective of securing employees for our members—was that we were able to establish beyond any doubt in our minds that jobs were going vacant while skilled tradesmen qualified to fill those jobs refused to work and were drawing unemployment insurance benefits. Keep in mind that we are not discussing unskilled labour, but rather skilled tradesmen able to demand and receive the equally high rates of pay they later find it convenient to accept when summer arrives.
>
> Last winter, we had openings for carpenters within 50 miles of the city, but candidates forwarded by Canada Manpower refused the jobs when they found that they were outside city limits. We have shortages in several other trades as well, and only in the fields of the electricians and plumbers were we able to fill our needs.
>
> There can be no doubt that one of the greatest flaws in the current unemployment insurance regulations is the one which allows renewal of unemployment insurance benefits, or establishment of benefits, in a period of eight weeks. It is hard to imagine a philosophy that has hurt the national economy more in recent years than that voiced publicly by a former cabinet minister to the effect that people have a right not to work. That philosophy haunts industry even today, and has both increased costs and reduced productivity—both effects being large factors in the inflationary spiral which we experience in Canada today.
>
> While there are many aspects of the unemployment insurance regulations which we feel need revision, one of the most significant is that there should be an extension of the qualification period for benefits to a minimum of 20 weeks rather than the eight weeks under the current regulations.

This is just one example of what business people are experiencing across Canada, and immediate corrective

steps must be taken to plug the loophole in the Unemployment Insurance Commission.

In closing, Mr. Speaker, while we in the Conservative party support Bill C-14, it is not the complete answer for assistance to business in Canada. The government also has a responsibility to restore the work ethic in Canada.

Mr. Arnold Malone (Battle River): Mr. Speaker, it is a privilege for me to have this opportunity to speak on Bill C-14 and to express support for what I think is an outstanding bill, in view of some of the tremendous merits it envisions for small industries and small businesses. The government should be justly proud of the Federal Business Development Bank. This bill will help Canadians to extend their imaginations well into the market place. It is a bill with a particular emphasis on small business and developments, and is an attempt to act into law a philosophy that is long overdue.

● (2120)

This is a philosophy which says to every Canadian: "You are someone who counts; you are someone who matters". This philosophy says to the Canadian people: "Go ahead and dream, and the government will give support". I find it very easy to lend support to this bill because it is a bill that is steeped in Conservative thinking. It is the kind of thing which says that the individual matters. It is the kind of thing which places the individual in the forefront as he should be.

This is a sharp demarkation and departure from the traditional system of taxing people so that the government can think up and execute its ideas. I might submit that execution is what usually comes from dreams by big government under its own implementation. This is a great bill because the people of Canada become the thinkers and doers, and the government does what it must do. They all play a supportive role. This bill challenges people to seek the maximums of their potential. That situation is as it should be.

While I wholeheartedly support this bill I wish to take a few moments to outline a caution, to which I think we should lend particular attention. I say this with all due awareness that there is a regional advisory system or council set up to help administer this bill. The special concern I suggest is that we must be very attentive to the sparsely populated areas of this country. I would hope there is special concern not only for small business but for the sparsely populated areas.

In the first century of Canada's federated existence its rural and urban population ratios have completely reversed. One hundred years ago 80 per cent of Canadians lived in rural areas. Today over 80 per cent of Canadians live in urban areas. It is predicted that 95 per cent of all Canadians will be living in urban centres by the year 2000. If there is something that is obvious it is that government must bear the brunt of the responsibility for the fact that a large proportion of this country's population has been crammed and crowded into a few large cities.

Past policies of the two highest levels of government have had a tremendous influence on the rural exodus. To lend documentation to that, I point out that in the single decade from 1961 to 1971 over 179,000 people left the rural communities on the prairies. That means that in only ten years almost 200,000 people have vanished from those areas. I request that through this bill there be a real thrust to decentralize Canada. This means special help for the rural communities. They have, however, a serious handicap.

In some of the major cities of the country there are whole office staffs set up to assist the cities in obtaining assistance from the provincial and federal governments. The small towns throughout the country do not have that kind of staff. They operate with part-time mayors who hold other jobs. The way in which they can make application for and attract small businesses does not have such a degree of sophistication, and so I believe it becomes important that very special attention be paid to the small and rural communities.

A few years ago we heard the slogan that the land is strong. In the context that that slogan was used its real meaning was that people are strong. But I submit that there cannot be a concept of a strong land that is devoid of people. All across the prairies we see a mass exodus of people from the rural districts. The land is not strong if it does not have people. Small businesses and industries in those areas must have the kind of thrust that is extra-projected within the scope of this legislation.

We cannot afford to continue to lose 200,000 people within a single decade from the rural areas. That simply is too many. It is well for those who have driven across the prairies to note the number of dying towns. The fact remains that how they were set up caused them to be placed too closely together. Largely they were established under the historical notion that towns were far enough apart if one could load a sleigh with grain, drive into town in the middle of winter and be back home again before dark. That placed them at something like six to nine miles apart.

We who have seen these towns die know it is not a death that came about through suicide, or lack of desire, or lack of spirit on the part of the people in them. It is instead murder by technology and a murder by government which through its policies, caused the development of this country to be centralized in five major locations or five major cities. We must pay special attention to rural communities throughout the breadth and scope of this country.

There is a myth which exists in western culture that bigness is goodness. It is the kind of myth which we must do everything we can to end. If we take a look at the large cities in this North American continent we will note that almost everything associated with bigness, in terms of the size of cities, tends also to perpetuate negative behaviour. There are many things which exist in such a society which cause people to go to institutions because of negative behaviour. The growing ratio in this regard is faster than the growth in the size of the cities.

Rural people, of course, are no better than city people. I submit, however, they are just as good. The rural way of life is something which must be protected and not allowed to vanish from the Canadian scene. If the land is to be strong it must be a land from sea to sea, which means people from sea to sea, which means support for growth and industrial development all across the country. Canada cannot be allowed to go along as a malignant growth

which clusters together like a cancer choking into one or two small areas all the development that this country is planning.

So, Mr. Speaker, I applaud the government for this bill. I think it has the kind of potential which can do a great deal to encourage the thrust of the individual and to encourage small business development all across the country. But I ask that particular attention be paid to the fact that in the smaller communities the assistance of government will be needed even in terms of helping to make applications to this bank, and much work is needed in those small communities.

Mr. Gordon Towers (Red Deer): Mr. Speaker, since I am in a particularly benevolent mood tonight I do not propose to ridicule the minister primarily because of the fact that the motion originally was a Tory motion. However, I think we must bring the minister back into the realm of reality. I believe he must recognize that this bill will not carry him and the small business enterprises of Canada into Utopia. He must recognize that this bill does not provide a haven for defeated Liberal members of parliament. I hope the minister does not dishonour himself by appointing to the directorships and as members of the council those people who are not worthy of promotion.

● (2130)

Because of the fact that there is a great potential in this bill for the development of small businesses in Canada, we realize they are very dependent upon it. The hon. member for Prince Edward-Hastings (Mr. Hees), my colleague, said that we will be watching the activity that takes place within the confines of this legislation. That is exactly right because many things can happen within the purview of this legislation that will not be to the benefit of small businesses, and if we hear any complaints from the government with regard to questions on the order paper, let me assure the minister that there will be further questions put on the order paper to ensure that this bill does what it is supposed to do.

Small businesses must make a profit and that "profit" should not be a dirty word in Canada, especially as it applies to small businesses. Also, we must understand that small businessmen must pay their costs, their outlays, their taxes and their interest before they can repay any principal on their debt. If the principal is not repaid, this legislation will not serve the function which it is meant to serve.

If this legislation is to do the job that it should do, the government must get off the back of small businesses. I emphasize that, and I hope the minister will go to the Prime Minister (Mr. Trudeau) as well as to his other colleagues in the cabinet with that message. Small businesses deal not only with the Department of Industry, Trade and Commerce but also with the Department of National Revenue, the Department of Finance, the Department of Regional Economic Expansion in some cases, the Department of the Environment, the Department of Consumer and Corporate Affairs, the Department of National Health and Welfare, the Department of Agriculture, the Department of Transport, Information Canada, and Statistics Canada.

I should like to quote, in order that it may be on record, pertinent parts of speech by the chairman of the National Dairy Council of Canada. He has described very well what is happening in the dairy industry. I think that within the confines of the dairy industry there are more small businesses than in any other industry in Canada. This is what the chairman said:

> Perhaps it is my closer affiliation with the affairs of the Council during this past year that has made me more aware of this growing involvement of government into the commercial life of our enterprises.
>
> I don't intend to recite the innumerable problems and events that your council has faced on your behalf during the past year. You already know through your work on national committees, the resumé or the deluge of mail that you receive from our Ottawa office about the formidable task that, like some cancer, simply keeps on growing and growing.
>
> You know, there is at least one fault that the president has learned from the government since he moved to Ottawa—how to produce a mountain of mail. As chairman, I receive copies of all correspondence coming out of our Ottawa office weekly. I really don't know how many thousands of letters a year are produced but a very large number are involved directly with the subject on which I want to devote a few minutes. I am speaking, of course, about this expanding government involvement in our enterprises and what we as Canadian corporate citizens should be doing about it.

Then he went on to say:

> Listen to this—here is a partial list of new intrusions by our benevolent federal benefactors:

It is too bad that the Minister of Agriculture (Mr. Whelan) is not here to hear this.

> Moisture content of cheese; fat content of butter and cheese; fat content on ice cream and frozen desserts; fat content on yogurt and cottage cheese; generic classification of cheeses; recall code procedure; companies act; competition bill; Environment Canada regulations; termination of the fluid milk subsidy; enlargement and extension of milk powder subsidy; Maple Leaf grade symbol; increase in support price for butter and powder; maximum coliform content for cheeses; preparation of brief for GATT; preparation of brief for Food Prices Review Board; report on the dairy industry by Dr. McFarlane; regulations for partially skimmed milk; seminar on the dairy industry held by FPRB; and emphasis on violations under Weights and Measures Act—

Remember that your compliance with most government programs generally adds to your cost of doing business. In addition, each new government act generally requires more staff to administer—staff means money—money spent by government means higher taxes on your business or you personally.

Talk to any of these small business operators and they will tell you that 10 per cent to 15 per cent of their office staff's time is taken up with filling government forms and filing them. The chairman went on to say:

> There doesn't seem to be anyone in Canada in charge of co-ordinating the overall federal government's concern and intervention in our industry. We've had Agriculture Canada, National Health and Welfare, Consumer and Corporate Affairs, Statistics Canada, weights and measures, Environment Canada, the dairy branch, the Canadian Dairy Commission, food additives, etc., all get into the act and talk about developing more rules and regulations for our industry during this past year.
>
> Has anyone tried to assess the cost of complying with all the federal regulations being talked about? I am sure they haven't—
>
> Has the consumer ever been informed of how much this information is going to cost her totally and is she willing to pay? We know through research done at Rutgers and Penn. State Universities that date coding of milk alone will add up to 1 cent a quart to the total cost.
>
> Is the information meaningful and relevant? How often does a consumer ever get a quart of sour milk today? Is it really necessary to add 1 cent a quart to all the milk sold in Canada just to minimize the

few incidences of sour milk which, when they do occur, are cheerfully corrected by the retailer?—

Facetious and farfetched? Probably, but one gets the impression that more and more people are being hired out of the productive sector of the economy and being charged with the responsibility of looking after those of us who remain in business and industry.

When you visit Ottawa and are told that it is the fastest growing city per capita in all the world—with millions being spent to house more and more bureaucrats who will produce more and more red tape to make it tougher and tougher for you to function, don't you get the feeling that enough is enough? More and more drones supported by fewer and fewer workers—

This is the problem of businesses today, and the government must get off the back of industry. As I said earlier, the dairy industry consists of more small businesses than any other sector of the business world in Canada. Unfortunately, government regulations and controls are forcing small dairy businesses to close down.

The minister must co-operate with his colleagues to get them to see the light so that small business enterprises in Canada can enjoy the co-ordinated efforts of the government, otherwise the grandiose attempt of the Minister of Industry, Trade and Commerce (Mr. Gillespie) in putting this legislation before the House will lose its thrust because of the shortcomings of his cabinet colleagues.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I am sure there are many greater business minds in the House of Commons than mine.

Mr. Knowles (Winnipeg North Centre): That's the trouble.

● (2140)

Mr. Marshall: I hope that the new Federal Business Development Bank will serve the purposes for which it is intended, but for the life of me I cannot see how it will do anything more for the small businessman than the many other programs which already exist under other departments of government, other than build another little empire to add to the bureaucracy and confuse further the potential businessman to whom it is supposedly directed, not to mention the added cost to the taxpayer in setting it up.

The Federal Business Development Bank is not much different from the present Industrial Development Bank other than the few fancy frills such as are contained in clause 21 wherein it provides management assistance to recipients of loans, and it is empowered under clause 22(b) to sponsor conferences, seminars and the like, and under clause 23 to distribute information relating to techniques, methods and practices for the successful administration of business enterprises.

Furthermore, this type of assistance is being offered under various other programs in federal and federal/provincial programs. An example of the duplication, Mr. Speaker, is that in most provinces in Canada there are many provincial development corporations, such as the Newfoundland and Labrador Development Corporation, which serve almost the exact same purposes. Of the $22 million in capital funds, $20 million has been invested by the federal government under the Department of Regional Economic Expansion.

[Mr. Towers.]

Here are the objectives of the Newfoundland and Labrador Development Corporation. I have already circulated a pamphlet to all hon. members setting these out. In order to overcome the lack of detailed information concerning viable opportunities for investment, lack of venture capital, and the failure of businesses to meet the demands for more sophistication in their approach to business development, a positive program for the development of small and medium-sized businesses was drawn up in 1973 to provide businesses with industrial intelligence; management advisory services; project information; loan financing for the establishment, expansion or modernization of programs; equity financing, and related services and assistance.

The corporation's affairs are governed by a board of directors with strong business backgrounds and knowledge of the particular economy, which works closely with the federal government. The main emphasis will be on financial assistance and management advisory services. However, there is vast scope for expanding activities and consequently there will be ongoing development work.

Then, Mr. Speaker, it designates the financial assistance available, term loans, and application requirements. We are all aware that most of our provinces have similar programs to suit their requirements.

Now, let us look at this new Federal Business Development Bank. Its objectives are almost the same—to provide financial assistance, management training, information and advice and other such ancillary services in order to promote and assist in the establishment of businesses in Canada, with authority to set up regional advisory boards to suit the particular region. Both of these agencies have the same objectives worded in a different manner.

Despite the various other loan programs such as the Small Business Loans, Fisheries and Farm Improvement Loans, Farm Syndicate Loans, Vessel Building Loans, Small Farm Development Loans, Capital Assistance Loans, Rural Development Loans, and besides the government guaranteed loans under DREE and the various agencies to assist the small businessman under the minister's department—such as CASE—there remains that vacuum which the minister and his advisers cannot recognize. That vacuum is the need to provide venture capital to small business.

The need is not to build another bureaucracy under another department, Mr. Speaker. All that will do is further confuse the small businessman. There will be more confusing and lengthy application forms to fill out, and all he will receive, as happens in most cases, is a form letter advising him that he does not qualify, without giving any reason.

Setting up a dozen more fancy corporations will not help. The need is to overcome the discouraging high interest rates, the excessive requirements for collateral, the lack of risk capital, the constant desire that seems to exist in the bureaucracy to refuse an applicant and get rid of a problem rather than to help him.

Going back for a moment to the Newfoundland and Labrador Development Corporation, this agency loaned out almost $5 million in its first year of operation. Along with other programs many millions have been injected, but even with this injection of funds Newfoundland still

has an embarrassing 16 per cent unemployment rate in a population of only a little over a half million.

Over the years that I have been in this House I have taken the Minister of Finance (Mr. Turner) to task for the lack of responsibility shown by the chartered banks of Canada with regard to small business loans, fisheries improvement loans and farm improvement loans. In reply to the concern which I expressed in the House I received the following letter from the minister, dated May 6, 1974:

You will recollect that during the debate on second reading of Bill C-14, an Act to Amend the Farm Improvement Loans Act, Small Businesses Loans Act and Fisheries Improvement Loans Act—you pointed out that far fewer loans under these plans were going to the province of Newfoundland than to any of the other provinces of Canada. In response I undertook to have Mr. Claude Passy—

He is the chairman of the guaranteed loans administration, Mr. Speaker.

—investigate the points you raised on the spot in St. John's.

And this is what happens, Mr. Speaker. They go to the capitals and do not care about the other parts of the provinces where the development potential exists. The letter continues:

Mr. Passy advises that, after discussion with the senior official of one of the banks in Newfoundland, the following points were made:

1. The policy of the banks in Newfoundland is to participate in these plans.

2. In so far as the official's bank was concerned all applications for these loans made in the province were accepted and processed.

3. Small Businesses Loans. There are not a great number of small businesses in Newfoundland and, traditionally, such businesses have obtained all their credit needs through a commercial institution—largely the chartered banks. Banks continue to meet the needs and hence there are very few applications for or questions about the small business loans. It is only recently, within the last two-three years that the economy in Newfoundland has taken an upturn and it is expected that this may result in more demand for credit. In this connection you will be aware that the Newfoundland and Labrador Development Corporation was set up in 1973 to stimulate new industry and the development of small businesses.

As I indicated already, Mr. Speaker, the Newfoundland and Labrador Development Corporation does the very things that this new Federal Development Bank is going to try to do. Sometimes I wonder if most of the ministers in the government just say to themselves, "Program, program, who has the best program?" They all want a loan program in order to build an empire and see what they can do with Canada, but that is missing the point.

I will not go into more detail on this, Mr. Speaker, because I know some of my colleagues want to speak. The letter goes on to talk about farm improvement loans and fisheries improvement loans, but what it says is happening just is not happening, Mr. Speaker.

● (2150)

I say that the chartered banks, under the guaranteed loans provisions, just do not care about their responsibility; it is greater than just making as much profit as possible. They even go to the point of discouraging government guaranteed loans because, if the applicant is a good risk, they can give him a conventional loan and charge a higher rate of interest.

No, Madam Speaker, I repeat, the answer is not in forming new corporations under new departments of government which will compete with one another. The answer is not in spending more millions of necessary dollars to take over a similar agency which is fulfilling the same purpose. I say the answer is to amalgamate the various cumbersome programs now in existence and which are going off in the same direction through different avenues, and to recognize the initiative and knowledge of the Canadian who understands resource potential. Let us support his initiative with the capital he needs and with a little more faith and understanding as to our aims in building more small businesses, if we believe they are the backbone of our economy.

I think the government should either amalgamate existing programs, and there are many, or review them with the common sense purpose of expanding their requirement standards, so that we can meet the need of the small businessman, whether he be a farmer, fisherman, hotel keeper, sawmill operator or small manufacturer. I say that the only way we can expand small business is to ease the restrictions which exist and provide more venture capital to the prospective entrepreneur. In this way we will provide the opportunity which is lacking and, thereby, the job opportunities we need in Canada if we are to overcome unemployment and build a better nation.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I am in general agreement with the thrust of the bill and feel that it may help some small business operations. I am inclined to think that the establishment of a federal bank for this purpose will be valuable.

From my observations over six years the operations of the IDB in my constituency have not been successful. I have become skeptical of the manner in which these loans are funded and placed. I find that there are fewer applications for loans than was originally anticipated when the legislation was brought down. Perhaps such legislation does not function well in a western rural riding like mine. Yet the IDB has been the only vehicle by which some businessmen in my riding have been given the chance to obtain federal government backed loans. Legislation of that type just does not function too well in certain areas, for reasons which may be inherent in the administration of this type of financing.

I have found, Madam Speaker, that the IDB has been hopeless in supplying the needs of my riding. The reason seems to be that service and similar industries have a very low priority with the IDB, which interests itself in industry and industrial projects. There are few industrial projects in my riding. I have found that because our projects are small, personnel often do not have the background of business experience, expertise and credit rating which the IDB seems to want.

Nearly always applicants for loans are beaten before they start because the officers of IDB always ask for a performance record which cannot be met. Often the individual has not been in manufacturing before. In my experience, once a business is started it can get along with capital generated locally. But the starting of these industries is the problem.

Indeed, there is considerable reluctance to expand any industry or business beyond what the individual or a family can handle, because of the great difficulty in disposing of a business at the end of the individual's working

career. I have found that many relatively successful businessmen have been put in a position in which their businesses have become too large to sell. They cannot find buyers to take their businesses off their hands.

In other words, under our present economic climate a small business is usually regarded as a living only for its owner. I believe we shall see more of this attitude in future. That means that businesses will tend to remain small or disappear on the death or retirement of the owners.

This bill will be applied differently in the different areas of Canada. I think we are aware of the marked regional differences in this country. We have spent much time asking what is a small business. I have found, in discussions with members who represent constituencies in Ontario and Quebec, the central part of Canada, that a small business is looked on as one with 40 or 50 employees. In my part of the world a small business supports four or five employees at most.

The IDB, in conformity with the terms under which it operated, was not interested in small loans of up to $10,000 or $15,000, which small businessmen often needed. The IDB wanted to lend them a good, big chunk of money, $50,000 or more. I often thought the officers of IDB felt that a $10,000 loan was not contributing much, or was too small to be of value. I have found that civil servants often judge the success of their work by the size of transaction they handle.

If this bill can overcome some of the old administrative difficulties, it will become a valuable tool for helping small businesses. May I call it ten o'clock?

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, I perceive that it is almost ten o'clock. Perhaps I could call it ten o'clock and continue tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL DEFENCE—DOWNSVIEW AIR BASE—POSSIBILITY OF RELEASING LAND FOR HOUSING DEVELOPMENT

Mr. Bob Kaplan (York Centre): Madam Speaker, I want to talk this evening in general terms about the future of Downsview Airport, which is in North York in the municipality of metropolitan Toronto. This area includes an important military distribution centre, a military airport and an aircraft frame factory and testing area which once was a wholly owned subsidiary of a British corporation. Now all these lands, over 1,000 acres, are owned by the federal government, and the use of the land has not changed for at least two decades.

[Mr. Ritchie.]

During these past two decades the greatest possible change of use has taken place in the lands surrounding this area. Farm land and waste land have been converted and become one of the world's fastest growing cities, the municipality of North York.

Governments and citizens tend to be critical of slum landlords and absentee landlords, on the ground that they lose touch with local standards and local needs. I say that in relation to Downsview, and other lands which the federal government owns in the municipality of metropolitan Toronto, the federal government itself is a slum landlord and an absentee landlord. In proof I wish to make two points.

Compare the way the federal government uses its land in Ottawa with the way it uses the excess land at Downsview air base. It had a lot of land in the Ottawa area that was surplus and unused. What happened? An agency was established, the NCC. This agency has established bicycle paths and amenities for the surrounding communities. It has, much to its credit, innovatively established a system of allotment gardens so that people who are stuck in apartments can rent unused plots of land to grow flowers and vegetables. All this takes place in the shadow of Parliament Hill under the watchful eye of the minister.

● (2200)

What is being done 250 miles away in Toronto with unused parts of Downsview Airport? Absolutely nothing. The vacant parts have laid in that condition for years.

As a second proof I wish to point out that back in 1970 the Department of National Defence itself recognized that there were 70 acres of land that were not required. It turned that land over to Crown Assets Disposal Corporation to be put to some better use. We can think of a lot better use for that land in that area than simply lying vacant.

Four years ago two other government departments put a hold on that land. What happened to it? Absolutely nothing. It has just remained unused in the middle of a residential area where housing is badly needed.

Two important changes have taken place in the past few months which I hope will make a difference to the federal government. First, the aircraft plant has been taken over by the federal government. For the first time the federal government controls the destiny of the entire holding.

Second, a subway station and subway line are in the process of being built on the edge of this land. Imagine, people who live in Orangeville are travelling to Toronto to work. Their transportation involves three hours a day, back and forth, while their government has much of 1,000 acres of land vacant, and there will be a subway station right at the corner.

It is time the federal government asked itself whether this is the right place for an airport and a factory. I do not think it is. It is time to conform to what the local community requires and is doing. I do not have a comprehensive list of changes that ought to be made, but I wish to make a number of points.

First, there should continue to be a strong military presence in the area. The distribution centre is important. It needs to be manned. That use in that area is entirely

justified. There is military housing surrounding it. That housing should be continued for that purpose. In fact, more housing should be built in that area for military personnel who very often have short-term duty there and cannot find alternative accommodation.

Second, a lot of attention should be given to the need for amenities and community facilities in that area because in some parts of the surrounding territory the municipality gave inadequate thought to the needs of the residents. This is a good way to make a contribution toward improving those communities.

Third, vast parking areas will have to be established there so that people can come to the subway station, park their cars and get into the city. Parking facilities will be required.

Fourth, this is an obvious place for a lot of housing, hopefully partly for veterans and military personnel. In addition, there is room for sensible, attractive low density and mixed density residential use. This is something that is badly required in the area. I could add that if the Veterans Land Act is terminated next March, it will be a measure of justice to the military of Canada and veterans that some provisions are made for them in this area.

Fifth, I wish to draw attention to the interest of some groups in metropolitan Toronto in establishing in that area the United Nations university campus. I think that is a fine idea. I would like to know a lot more before I agree with it, but I would note that one of the most attractive features of that proposal is they do not intend to put up a lot of new buildings. They recognize it will be near a subway station. Additions to the university will take advantage of empty buildings, and available buildings are located throughout Metropolitan Toronto.

The Acting Speaker (Mrs. Morin): Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Leonard Hopkins (Parliamentary Secretary to the Minister of National Defence): First, Madam Speaker, I should like to compliment the hon. member for York Centre (Mr. Kaplan) on his attention to local interests and constituency interests. Local interests add up to regional interests and are perfectly deserving of expression on the floor of the House. I also note his reference to the fact that the military presence is of importance to the area.

The department has received repeated requests over several years to give up the Downsview site. In 1970, after considerable pressure from the Borough of North York, 69 acres were declared surplus and turned over to Crown Assets Disposal Corporation. This parcel of land is the only part of the site considered suitable for housing development. However, the property has not been disposed of by the Department of Public Works, presumably because agreement for disposal by the Treasury Board Advisory Committee on federal land management is still awaited.

There is a continued requirement for Downsview by the Department of National Defence, and no plans are in offing to declare any other parts of the site surplus. However, as the hon. member said, negotiations for an exchange of property in the southwest corner are in progress between National Defence Headquarters and the regional municipality of Toronto to permit a right-of-way for a proposed subway and, at the same time, straighten out a jagged property boundary currently in existence. About four acres of land are involved.

Canadian Forces Base, Toronto, an Air Transport Command Base, is an example of a base which exists mainly for the support of units from other commands, notably the Naval Reserves (Maritime Command Units) and the Militia Air reserve squadrons. It is estimated that at least 50 per cent of the base effort is devoted to the support of the Naval Reserves, Militia units and Air Reserve Squadrons.

With regard to the Downsview site it is anticipated that there will be a continuing requirement for a base to support these reserves and cadets in the greater Toronto-Hamilton areas.

The department has a long-standing agreement with De Havilland Aircraft Corporation for the continuing use of the airfield. Until such time as there is a change in role or function of that firm, a requirement for the lengthy runways will continue. Then again, the facilities and the infrastructure at Downsview are relatively modern and functional—

The Acting Speaker (Mrs. Morin): Order. I regret to interrupt the hon. parliamentary secretary but the time allotted to him has expired. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.11 p.m.

HOUSE OF COMMONS

Friday, October 18, 1974

The House met at 11 a.m.

[*English*]

VETERANS LAND ACT

NOTICE OF MOTION REQUESTING REVIEW OF ACT

Mr. Speaker: Order, please. May I take a moment to draw to the attention of the House the notice of motion dealing with the Veterans' Land Act signed by 25 members of the House and filed yesterday with Mr. Speaker. The content of the notice of motion will be found at the end of the notice paper as printed in today's order paper.

* * *

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF PRIME MINISTER OLOF PALME OF SWEDEN

Mr. Speaker: May I begin by calling to the attention of the House the presence in the gallery of a very distinguished visitor, Mr. Olof Palme, the right honourable the Prime Minister of Sweden.

Some hon. Members: Hear, hear!

BIRTHDAY CONGRATULATIONS TO THE PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a point of order.

Mr. Speaker: The right hon. member for Prince Albert on a point of order.

Mr. Diefenbaker: Mr. Speaker, the House of Commons is a place difficult to understand by those who do not understand it. It is a place in which in strong disagreements we sometimes use forcible language and on other occasions are devastating in debate. Despite that fact, great admiration is felt in the hearts of all in this institution. I rise as one who is not casual about birthdays.

● (1110)

Some hon. Members: Hear, hear!

Mr. Diefenbaker: When I came to this House first, under Right Hon. Mackenzie King, there was no old age pension to which to look forward. That was of deep concern to all of us who knew the vicissitudes of public life. That is no longer true, and the Prime Minister (Mr. Trudeau) will not have long to wait if some hon. members to my left are able to bring about changes in regard to old age pensions, that is when they may be secured and attained.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Diefenbaker: I am happy on this occasion to say to the Prime Minister that I wish him well, happiness and good health. Indeed, if I may presume to say so on behalf of Her Majesty's loyal opposition, I extend to him a royal salute.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: And, lest that be misunderstood from the point of view of propriety or otherwise, "royal" is spelled with a small "r".

Sir, a few moments ago I looked up a book on astrology and found the Prime Minister was born under Libra. It is merely coincidence that Libra and liberal have some connection. Those born under Libra, I understand, are clever and have every possibility of manœuvre. That, too, in connection with the Prime Minister, is merely coincidence.

I hope that his trip to France will be fruitful and beneficial; and if, perchance, to reciprocate General de Gaulle's observation about Canada if he says, "Vive Saskatchewan" or "Vive Prince Albert", I will not object whatsoever. I only hope and expect that the welcome he will receive there will be like the one extended by General de Gaulle to Olive and me, when there on a state visit and with the full realization that that nation was one of the founding nations of our country.

Sir, I extend to the Prime Minister the warmest of good wishes, congratulations, and the hope that during the present parliament success will come by his leadership to this House and our country. Congratulations and the very best!

Mr. Edward Broadbent (Oshawa-Whitby): On behalf of my colleagues, I join the right hon. member for Prince Albert (Mr. Diefenbaker) in sincerely wishing the Prime Minister (Mr. Trudeau) the very best today, his birthday. I am sure the Prime Minister will understand if I refer to the point made by the right hon. member for Prince Albert concerning the word "Libra", by saying it is our sincere wish on the occasion of his birthday that the Prime Minister will return to the views he expressed so eloquently and with such vigour in the days when he was very active in writing for a publication known as cité libre.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, on behalf of the hon. members of the Social Credit Party of Canada, I wish to join the two previous speakers in offering the right hon. Prime Minister (Mr. Trudeau) our congratulations and best wishes on the occasion of his birthday.

Perhaps it is a coincidence that this time should have been chosen for his important trip to France, which is coming up shortly after his birthday, that he might prove somewhat more experienced through age, but in any

event, I wish him a most fruitful and profitable trip, more specifically in terms of future agreements between that important European country and Canada.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker I am always very happy to welcome the date of October 18th. It gives me the opportunity not only of reminding myself that I am growing wiser but also of hearing what the opposition parties really think of me.

An hon. Member: The day is not over yet.

Mr. Trudeau: Mr. Speaker, I feel I must associate my well known personal modesty with this occasion and recognize that those good wishes are not addressed so much to Pierre Trudeau the individual as to the leader of the Liberal party. One thing is sure: the right hon. member for Prince Albert (Mr. Diefenbaker) or the other hon. members who were kind enough to offer me their best wishes would not have done so 20 years ago when I represented the unions in the asbestos industry, as their lawyer, or when I was a mere university professor.

[*English*]

In those days I never received such tributes, not even from those colleagues over there who knew me. Therefore, I conclude that it is to the leader of the Liberal party that these good wishes are made.

I am particularly touched by the royal salute from a fellow member of the Royal Society.

Some hon. Members: Hear, hear!

Mr. Trudeau: I want to say in all modesty, Mr. Speaker, that I realize when these good gentlemen opposite wished me many happy returns of the day, they were using October 18 as a pretext to wish many happy returns for another day, which as leader of this party I thank them for, the day of July 8. I hope there will be many happy returns on that occasion as well.

Some hon. Members: Hear, hear!

● (1120)

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEE ON PROCEDURE AND ORGANIZATION

TABLING OF FIRST REPORT

First report of Standing Committee an Procedure and Organization in both official languages—Mr. Sharp.

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

[Mr. Laprise.]

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGED MISTREATMENT OF INMATES OF DON JAIL, TORONTO—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I ask leave to bring a motion in accordance with Standing Order 43 on a matter of urgent and pressing necessity.

Allegations have been made of invasions of fundamental human rights and police brutality directed against inmates of the Don Jail in the City of Toronto. The matter is, of course, of concern to the provincial authority but it is also of concern to all Canadians since these actions, if the allegations are true, would constitute infringements of the Canadian Bill of Rights passed by this parliament.

There is no room for the emergence in Canada of the grim story of the maltreatment of those in custody of the police which is all too common in other parts of the world. I therefore ask leave to move, seconded by the hon. member for Broadview:

That the Minister of Justice be instructed, in co-operation with the provincial authorities, to ensure that a full and thorough inquiry is made into allegations of brutality directed against inmates of Don Jail.

Mr. Speaker: Order. The House has heard the contents of the proposed motion. Since it is presented under the terms of Standing Order 43, it cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, it cannot be debated today.

ORAL QUESTION PERIOD

[*English*]

FOOD PRICES

ALLEGED CONFLICTING STATEMENTS BY MINISTERS—INVOLVEMENT OF FOOD PRICES REVIEW BOARD IN AGRICULTURAL POLICY

Mr. G. W. Baldwin (Peace River): May I put a question to the Prime Minister who has been the recipient of all those very well deserved congratulatory remarks? Having regard to all the conflicting statements made by the Minister of Consumer and Corporate Affairs and the Minister of Agriculture, will he tell the House which minister speaks for the government on the matter of food prices, a subject which is of some importance to this party and to the Canadian people?

Right Hon. P. E. Trudeau (Prime Minister): I would be very happy to look into the matter if the hon. gentleman will send me the quotations which he feels are an indication of a contradiction in the policy of the government.

Mr. Baldwin: I shall not abuse the rules of the House by taking half an hour by setting out in detail the large number of contradictory statements which have been

made. I am sure the Prime Minister is already aware of them, but he is not interested in them. Does he agree with the Minister of Consumer and Corporate Affairs that the Food Prices Review Board should involve itself in agricultural policy?

Mr. Trudeau: It depends in what sense. I do not think it is the object of the Board to make policy for the government, but in the sense that it should look into the prices of food, which is a product of agriculture, I suppose such an interpretation could be accepted.

Mr. Baldwin: Bearing in mind that the Canadian taxpayer is being ripped off to the extent of $25 billion to support this government in its peregrinations, will the Prime Minister not put an end to this political juvenile delinquency and attempt to carry out his constitutional obligation to co-ordinate government policy—if indeed there is any?

* * *

CONSUMER AFFAIRS

POSSIBLE REFERENCE OF FORBES REPORT TO FOOD PRICES REVIEW BOARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is for the Minister of Consumer and Corporate Affairs. May I ask the minister whether he has in fact formally referred to the Food Prices Review Board the study by Professor Forbes into consumer representation on marketing boards, with all of the implications of that report?

(*Translation*)

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): For the information of the hon. member, Mr. Speaker, may I say that this board is not the responsibility of the Minister of Consumer and Corporate Affairs. It is an independent body, and I am sure its members have already gone through this report and are studying it as earnestly as the hon. member himself.

* * *

[*English*]

EXTERNAL AFFAIRS

SUGGESTED SHARING WITH SWEDEN OF INFORMATION ON OPERATION OF MULTINATIONAL CORPORATIONS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Would the Prime Minister inform the House of his government's intentions concerning the proposal made recently by the Prime Minister of Sweden that our two countries share on a bilateral basis pertinent information on the operations of multinational corporations in the two countries?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a proposition which I understand the Prime Minister of Sweden has put on the agenda for our discussions which will be continuing this afternoon. I did have very pleasant and fruitful meetings with the Prime Minister yesterday. We did not reach that item of the agenda, but I can assure the hon. gentleman that I will study it with all the seriousness that it deserves.

* * *

FOREIGN INVESTMENT REVIEW ACT

DATE OF PROCLAMATION OF PART II OF ACT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question for the Prime Minister. Would the Prime Minister inform the House when the government intends to proclaim Part II of the Foreign Investments Review Act which would give the government authority to review the expansion of foreign owned firms already existing in Canada into unrelated areas of business, a crucial part of the bill which has not yet been proclaimed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it was made clear at the outset when this bill was brought before the House—a very progressive measure for which I am happy that we have the support of the hon. gentleman's party—that we would proclaim the other parts of the bill as soon as the administration of that part could be discharged with fairness and efficiency. I would say that this will be relatively soon.

POSSIBILITY OF LEGISLATION PERMITTING REVIEW OF EXPANSION OF FOREIGN CORPORATIONS INTO RELATED AREAS OF BUSINESS

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question, Mr. Speaker. Would the Prime Minister give assurances to the House that the government is at least considering, and hopefully positively, introducing legislation which would permit the government agency to review the expansion of existing foreign owned firms into related areas of business—that is, areas in which they are already actively involved?

Right Hon. P. E. Trudeau (Prime Minister): That is an area that eventually we will want to consider, Mr. Speaker. But as the hon. gentleman knows, the areas already covered by the act as it exists, and which will be proclaimed, are very considerable and extensive, and this later stage may not be reached in the immediate future.

* * *

[*Translation*]

ENERGY

FEASIBILITY STUDY ON CONSTRUCTION OF PIPELINE TO BRING NATURAL GAS FROM ARCTIC TO EASTERN CANADA—DATE OF COMPLETION

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

Can he advise the House whether the committee responsible for the polar gas study into the feasibility of a pipeline through the Arctic to eastern Canada has completed its study and submitted its report?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I must say that this is a joint committee set up by the oil companies. I am afraid the committee has yet to submit its report on the situation. We have obtained some information on its study with respect to the crossing of sounds in the Arctic, but the final report has not yet been submitted to us. Of course, this report would be prepared for the joint committee of the oil companies and not for the government.

* * *

[*English*]

EXTERNAL AFFAIRS

EUROPEAN ECONOMIC COMMUNITY—PROPOSAL TO BE ADVANCED BY PRIME MINISTER—PURPOSE OF VISIT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. When the Prime Minister arrives in Brussels next week and learns first hand that the European common market has no intention of giving Canada preferential trade treatment, has the Prime Minister a proposition to lay before the EEC which he feels confident has a good chance of getting the EEC to reverse its present stand on this matter? If so, would he advise the House what line of argument he will be taking?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not intend to advance a line of argument at all. We have no intention of asking for preferential treatment. Therefore, the hon. gentleman's assumption that it will be rejected is false, based as usual on a false premise.

● (1130)

Mr. Hees: Mr. Speaker, since the Prime Minister has said he is not going to ask for that preferential treatment he has been advised he will not receive, what is the purpose of his visit? Is it just a public relations visit?

Mr. Trudeau: Mr. Speaker, it is to receive fair treatment.

Mr. Hees: Don't you think we get it now?

Mr. Trudeau: The hon. gentleman should know that the relations between the European community are on a privilege exchange basis. The entrance of Britain into that community, and the admission of other countries like Sweden with free trade in the industrial sector could have serious detrimental consequences to Canadian trade. We want, therefore, to be sure through negotiations that we are treated fairly and that the community is truly outward looking rather than inward.

Mr. Hees: So you have given up before you have even started.

[Mr. Laprise.]

PUBLISHING

POSSIBILITY OF HAVING CANADIAN WEEKLY MAGAZINE IF TAX CONCESSIONS TO "TIME" AND "READERS'S DIGEST" WITHDRAWN

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, if under section 19 of the Income Tax Act tax privileges are withdrawn from *Time* and *Reader's Digest* publications, has the Secretary of State been informed that a Canadian owned national magazine publication will come on the market immediately on a weekly basis?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I think the most precise answer I can give the hon. member is as he knows, having canvassed this situation quite exhaustively last night in the committee, that I have been told by reliable sources that in fact there are two groups looking at this matter, one of them very seriously, as well as a certain number of others, but the state of their examination is not as developed as in the case of the two I mentioned.

Mr. Grafftey: Mr. Speaker, is this on the assumption that were these privileges to be withdrawn enough advertising revenue would be directed to a Canadian publication to make it viable on a weekly basis?

Mr. Faulkner: Yes. The argument has been developed that if the exemptions were eliminated, and this $17 million in advertising revenue was thrown open, a substantial part of it would relocate, to the support of a Canadian news weekly, but that would obviously depend on the quality of the news weekly, the time of its publication and other like questions which are difficult to be too definite about.

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EXTERNAL AFFAIRS

SUGGESTED GOVERNMENT SUPPORT OF WILDLIFE ORGANIZATIONS IN COURT ACTION TO STOP GARRISON DIVERSION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I bring to the attention of the Secretary of State for External Affairs a matter of immediate and serious concern, namely the fact that the United States irrigation scheme known as the Garrison diversion will, according to the Canadian Wildlife Federation, and its national president, Mr. Orville Erickson, have the effect of increasing the salinity of two Manitoba rivers, add to the polution of a third and speed the process of eutrophication of Lake Winnipeg with its large fishing industry. As the government has apparently decided not to intervene, will the minister make a statement on this matter, indicating particularly that because 200,000 Canadian sportsmen desire to take legal action the government will consider providing counsel and assistance through the Minister of Justice to this federation, thereby enabling the question to be brought before the courts for determination in the interests of our country?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the right hon. gentleman

refers to the Garrison diversion. The Canadian government has, of course, taken a position on this matter, indicating through an exchange of notes with the United States government, and through discussions which made the point very strongly, that Canada does not accept any injury to its waters from any such diversion. That is the general position. In respect of the particular point raised by the right hon. gentleman, I will be happy to consider it and provide an answer at a later date.

Mr. Diefenbaker: Mr. Speaker, I approve of the stand taken by the government of Canada which apparently has been cavalierly brushed aside by the government of the United States. The project is now being launched in a way that cannot possibly be prevented unless action in the courts is taken. I am glad of the assurance of the minister that he is going to look into this matter because one-fifth of a million Canadian sportsmen cannot be wrong.

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CONSUMER AFFAIRS

PRICE OF ANTIFREEZE—REQUEST FOR INVESTIGATION—SUGGESTED PUBLIC DENIAL OF POSSIBLE SHORTAGE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in view of the fact that the price of automobile antifreeze now ranges all the way from $7 to $11 a gallon, would the Minister of Consumer and Corporate Affairs indicate whether his department is investigating or intends to investigate the reason for this price spread.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, this matter has been under consideration. It seems that the main reason for the price increase is the world shortage of ethylene. I know that several representations have been made to ensure that the Canadian public will not suffer from excessive price increases. For the information of the hon. member I would say there is no reason to believe that there will be a shortage of this product this winter, but we ought to tell consumers to watch prices and be sure that such prices will be reasonable.

[*English*]

Mr. Symes: Mr. Speaker, in view of the fact that the public generally was led to believe that the reason for the price increase and the price spread was due to shortages, and in view of the admission by officials of the industry both nationally and at the local level that there will be no shortages, would the minister give specific details of that investigation in order to satisfy the public that price fixing did not take place?

[*Translation*]

Mr. Ouellet: Mr. Speaker, some provincial authorities have already made statements to this effect, in particular the responsible minister in the Quebec government. If the hon. member wants further information, I shall be glad to provide it as soon as possible.

[*English*]

CANADIAN NATIONAL RAILWAYS

FORT GARRY HOTEL, WINNIPEG—ALLEGATION OF EMBEZZLEMENT BY CHIEF ACCOUNTANT—REQUEST FOR INVESTIGATION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of Transport I should like to direct my question to the Prime Minister. On radio station CJOB in Winnipeg this morning investigative reporter Peter Warren charged that the chief accountant at the Fort Garry Hotel in Winnipeg has embezzled at least $23,000 from the hotel through credit card manipulations. Will the Prime Minister launch an immediate investigation into this matter?

Mr. Speaker: Order, please. With the greatest respect, I have the utmost difficulty in trying to relate that matter to the jurisdiction of a minister in this House.

An hon. Member: He doesn't stay there.

Mr. McKenzie: On a point of order, Mr. Speaker. The Fort Garry Hotel comes under the jurisdiction of the Canadian National Railways, which is a direct responsibility of the Minister of Transport. Mr. Warren has also charged that there is poor security and poor accounting procedures at CN hotels, and that there have been no proper audits conducted for the past seven years. These are very serious charges and I do not think we can ignore them.

Mr. Cliff McIsaac (Parliamentary Secretary to the Minister of Transport): I will take notice of the hon. member's question, Mr. Speaker.

* * *

● (1140)

ENERGY

SITE OF HEAVY WATER PLANT IN WESTERN CANADA—DATE OF COMPLETION OF FEASIBILITY STUDY

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources. In the previous parliament the minister indicated that a feasibility study would be launched respecting the siting of a heavy water plant in western Canada. I should like to ask the minister whether that report has been finalized, and when he is considering the publication of that report.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I think that the correct description of the situation would be that when the demand for additional supplies of heavy water has reached the point at which a further plant is required, a site in western Canada would be favoured. Atomic Energy of Canada have given attention to this in general terms but since at the moment the demand has not reached that point, there is no immediate study of the kind implied in the hon. gentleman's question which will be coming forward at an early date. It is really a question of general availability and the comparative benefits of the sites in both Saskatchewan and Manitoba.

Oral Questions

EXTERNAL AFFAIRS

BASIS OF DISCUSSIONS WITH UNITED STATES ON OIL TANKER ROUTE THROUGH STRAITS OF JUAN DE FUCA

Mr. John A. Fraser (Vancouver South): My question is for the Secretary of State for External Affairs. In view of the minister's statement in the House on October 10 that discussions are continuing between Canadian and American officials regarding oil tankers on the west coast of British Columbia and in view of Premier Barrett's statement that negotiations with the United States are carried out on the basis that an oil spill is inevitable, can the minister advise the House whether the government has concluded that it is unrealistic to expect the Americans to abandon their plan to bring oil tankers through the Straits of Juan de Fuca?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker.

Mr. Baldwin: Is Mitch showing you how to fight?

Mr. Fraser: Can the minister advise us whether continuing discussions to which he referred on October 10 relate to the removal of tanker traffic from the Straits of Juan de Fuca, or do they relate only to the prevention and clean up of oil spills?

Mr. MacEachen: Mr. Speaker, the Canadian approach is twofold in this connection. One is to undertake contingency planning in the way of developing an environmental plan applicable in the future. The second aspect is to search for alternatives by which American supplies can be guaranteed. Both of these are proceeding simultaneously. We believe that it is quite important to make the necessary contingency planning in any event with respect to the environment, but the two approaches are being simultaneously pursued.

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ENVIRONMENTAL AFFAIRS

CONTINGENCY PLAN AND EQUIPMENT TO DEAL WITH OIL SPILL ON COAST OF BRITISH COLUMBIA

Mr. Benno Friesen (Surrey-White Rock): I have a supplementary question for the Minister of the Environment. Can the minister tell the House what if any contingency plans and equipment are in readiness and are planned in the event of a major oil spill in Georgia Straits or the Straits of Juan de Fuca?

Hon. Jeanne Sauvé (Minister of the Environment): Contingency plans do exist in my ministry and in the Ministry of Transport for this kind of unfortunate accident.

Mr. Friesen: Would the minister then table not only the plans but an inventory of the kind of equipment in case of such contingencies arising?

Mrs. Sauvé: I think it would be difficult to table existing contingency plans but the Ministry of the Environment has a rather complex retrieval system for all the equipment which exists in Canada, where it is, at what time and with what speed it can be brought to the scene of an accident.

[Mr. Macdonald (Minister of Energy, Mines

Mr. Baldwin: Like a glacier.

CAPABILITY OF EQUIPMENT TO DEAL WITH OIL SPILL ON COAST OF BRITISH COLUMBIA

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the Minister of the Environment. Can the minister advise the House whether, in the opinion of the government, the present equipment available is capable of containing and cleaning up a major oil spill such as would occur if one of the oil tankers from Alaska should spill its oil load?

Hon. Jeanne Sauvé (Minister of the Environment): It is difficult for me to say whether the equipment that does exist now would be sufficient in a hypothetical situation. We have continuing studies on the improvement of existing equipment and I think the greatest difficulty occurs when waves and sea conditions interfere with the usefulness of the kind of equipment we have now.

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CONSUMER AFFAIRS

POSSIBILITY OF FUNDING MUNICIPALLY OPERATED STOREFRONT OFFICES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the government's commendable proposal to open storefront offices in urban areas for consumer services, could the minister advise the House whether or not he has still under consideration the funding, in part at least, of municipally operated storefront offices or consumer offices to augment the service that is being provided in the department? I have particularly in mind the one in the township of Nepean which is a forerunner of its kind and for which an application for funding is still outstanding.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will consider the question. The suggestion seems quite interesting, but I must admit to the hon. member that unfortunately the budget of my department for that kind of operation is quite limited and as hon. members opposite have suggested on several occasions that the federal government should restrict its expenses, it makes my task still more difficult.

[*English*]

Mr. Baker (Grenville-Carleton): I want to thank the minister very much for that answer and I want him to understand that our application was very limited as well.

EXTERNAL AFFAIRS

LEVEL OF DISCUSSIONS WITH UNITED STATES ON PROPOSED OIL TANKER ROUTE THROUGH STRAITS OF JUAN DE FUCA

Mr. Stuart Leggatt (New Westminster): My question is directed to the Secretary of State for External Affairs and it is related to the question asked by the hon. member for Vancouver South. In view of the minister's statement in the House that discussions are continuing, would he advise us if those discussions are taking place at the ministerial level or if only officials of his department have been carrying on these negotiations with the United States?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, at present the discussions in pursuit of the objectives which I have mentioned, at least in the last two months, have been carried out at the official level. Further discussions are proposed in the course of the next few months to continue developing the measures that are now under consideration. I believe these discussions have been useful, and if necessary, they will be conducted at a higher level.

PARTICIPATION OF FEDERAL GOVERNMENT IN DISCUSSION ON SUPPLYING NATURAL GAS TO STATE OF WASHINGTON AND FINDING ALTERNATIVE TO OIL TANKER ROUTE

Mr. Stuart Leggatt (New Westminster): In view of the fact that British Columbia has recently entered bilateral discussions with the state of Washington concerning the supply and price of natural gas, would the minister advise the House whether there was any federal participation in those discussions or any co-ordination of those discussions in terms of the energy supplied to the state of Washington with a view to finding an alternate route to the Juan de Fuca route? In other words, has this government in fact entered into quid pro quo discussions, or have Canadian concessions been offered to avoid that route which is entirely within American jurisdiction?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): In answer to the first part of the question, the discussions that have been undertaken with respect to the supply of gas to the United States from British Columbia have been co-ordinated by the Minister of Energy, Mines and Resources and conducted with the full knowledge of my department. In answer to the second part of the question, there have been attempts, which have not yet been successful, to provide adequate supplies to the refineries which would eventually be supplied by the tankers, but they have not been successful because no alternative supply is visible at this point.

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DRUGS

GOVERNMENT EFFORTS TO PUBLICIZE HARMFUL EFFECTS OF MARIJUANA

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that many Canadians now feel that this government, by relaxing its regulations on the importation of marijuana, is obviously paving the way for approval of the use of this drug, can the minister explain what steps if any his government is taking to make the harmful effects of marijuana known to the youth of this country?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the hon. member will get acquainted with the position of the government when a bill is introduced on the matter. I have already clearly indicated that the government position will remain that stated by my predecessor in 1972. As for the specific question asked by the hon. member, I remind him that the program on the non-medical use of drugs has been in operation in my department for several years and that several million dollars are earmarked each year for the control of the non-medical use of drugs.

* * *

● (1150)

[*English*]

ADMINISTRATION OF JUSTICE

POSSIBLE CHANGE IN LEGISLATIVE PROVISIONS DEALING WITH USE OF MARIJUANA

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, a supplementary question to the Minister of Justice on the same matter. In view of the growing number of reports as outlined in the most responsible United States medical journals, on the harmful effects of marijuana use, can the minister offer any reason or explanation for contemplating relaxing the penalties for importing marijuana and for removing the importation of marijuana from the Criminal Code? Also, is the minister not aware that his most recent steps have amounted to a virtual government sanction of the importation of this harmful drug?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker, I would say most emphatically that the hon. member is misstating the situation. Offences in relation to marijuana are not presently contained in the Criminal Code but are in the Narcotics Control Act. The contemplated action is to remove them from the Narcotics Control Act, where they are associated with the harder drugs, to the Food and Drug Act but to retain the offence of possession. The bill which will be introduced in the House will deal in other ways with the various penalties and I think hon. members will have adequate opportunity at that time to express views on it.

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EXTERNAL AFFAIRS

ALLEGED MISUSE OF CANADIAN AID TO DROUGHTSTRICKEN AFRICAN COUNTRIES—POSSIBLE CONTROL MEASURES

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In

view of the fact that Canada will be contributing some $230 million within the next five years to assist the six countries of Africa's droughtstricken Sahel region, and in view of the fact that some very serious doubts have been raised about the proper management of these funds in Africa, has the minister developed any control measures to ensure that they are expended in proper fashion and if so, what type of controls has he considered?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I do not accept the premise of the hon. gentleman's question with respect to the misuse of funds in the Canadian aid program. In connection with the areas to which he refers, the normal controls exercised by the CEDA organization are in force in these countries. We are also making a special effort to derive from the countries themselves some greater input into the proper use of the funds. The hon. gentleman has drawn his concern to my attention and I will be happy to look at the matter with more care.

Mr. Brisco: Mr. Speaker, a supplementary. For the information of the minister, I refer specifically to the country of Chad.

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GRAIN

POSSIBLE NATIONALIZATION OF GRAIN HANDLING SYSTEM—PURPOSE OF REPORT BY MR. JUSTICE BAYDA

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to put a question to the minister in charge of the Wheat Board. Is the report that Mr. Justice Bayda will make on labour relations between grain handling co-operatives and the unions expected to be the first move in a government plan to nationalize the grain handling system, a move that is the subject of increasing speculation on the prairies?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker. The investigation to which Mr. Justice Bayda has been appointed is strictly related to the terms of reference as indicated by my colleague the Minister of Labour.

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EXTERNAL AFFAIRS

POSITION OF CANADA ON PARTICIPATION OF PALESTINIAN LIBERATION ORGANIZATION IN UNITED NATIONS DEBATE ON MIDDLE EAST

Mr. Bob Kaplan (York Centre): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of Canada's position on the admission of the Palestinian Liberation Organization to participation in the United Nations Middle East debate, can the minister tell the House whether Canada accepts the legitimacy of this gang of self-confessed murderers and terrorists?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the vote which my hon. friend mentions with respect to the participation of the PLO in the plenary session of the United Nations was placed by Canada in a consistent policy of abstaining when this issue has been before either the United Nations or the agencies. I want to make it clear therefore, that there has been absolutely no change of policy in this respect. My predecessor and the Prime Minister have stated more than once as Canadian policy, that the Palestinians have rights in the over-all peace efforts that will be undertaken for the Middle East—

Some hon. Members: Hear, hear!

Mr. MacEachen: —and that the Palestinian people ought to be represented in one form or another at peace negotiations. With respect to the PLO itself, the Canadian explanation made it clear that the Canadian government did not wish to prejudge the form of the representation of the Palestinian people at any such conference. In fact, the Canadian explanation recorded firmly, and without ambiguity, Canada's refusal to prejudge both whether the PLO should be one of, or the only, representative of the Palestinians. We have taken the consistent position that this matter should be settled among the parties concerned.

Mr. Hees: You are getting more like Mitch and Paul every day.

Mr. MacEachen: That is a good tradition.

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FISHERIES

SUGGEST REVIEW OF ACTIVITIES OF FRESHWATER FISH MARKETING BOARD AND POSSIBLE RELOCATION OF TRANSCONA PLANT

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is for the Minister of Fisheries. Would the minister undertake immediately to review the activities of the Freshwater Fish Marketing Board and in particular the operations at the Transcona processing plant with the view to relocating the Transcona facilities or constructing additional plants in Selkirk and/or Gimli?

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I would of course undertake to review any suggestion made by hon. members. We are having some labour difficulties at the Transcona plant at the moment but I hope they will be resolved. As for the possibility of relocating, I will look into this matter but I would not offer the hon. member very much hope at the moment.

PERCENTAGE OF FISH FROM SELKIRK PROCESSED BY TRANSCONA PLANT

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, I have a supplementary question on this subject. Could the minister tell the House the amount or the percentage of fresh fish that comes out of Selkirk to the Transcona plant?

Some hon. Members: Order paper.

Mr. Speaker: In reference to the minister and the House, perhaps that question might be dealt with in a different way.

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EXTERNAL AFFAIRS

POSSIBLE INCREASE IN CANADIAN DIPLOMATIC REPRESENTATION TO PERSIAN GULF STATES

Mr. Derek Blackburn (Brant): Mr. Speaker, a question for the Secretary of State for External Affairs. In view of the fact that the United States has recently sent Arabic-speaking resident ambassadors to each of their embassies in the Persian Gulf states, is the Canadian government contemplating expanding its presently inadequate diplomatic representation in this important part of the world?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the extension of Canada's diplomatic representation abroad is presently under consideration and it may be possible at an early date for me to reply specifically to the question with particular reference to the parts of the world mentioned.

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ENVIRONMENTAL AFFAIRS

EXPORT OF WATER TO UNITED STATES—GOVERNMENT POSITION

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Minister of the Environment. Would the minister please state whether she is in favour of the export of Canadian water to the United States and has or is the government engaged in any discussions with the United States regarding the use of Canada's water resources?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the answer to both questions is no.

● (1200)

REQUEST FOR EXPLANATION OF FORMER MINISTER'S POSITION ON EXPORT OF WATER

Mr. Bob Wenman (Fraser Valley West): A supplementary question, Mr. Speaker. In view of what has happened with regard to Lake Michigan, the Garrison dam, the Skagit, and so on, does the minister intend to initiate discussions with the United States on this and other projects? Also, can she explain the former minister's statement, to this effect:

> Lest it appear that the present government is playing a dog-in-the manger role with Canada's water resources, let me make it clear that we have been active both on the international and federal-provincial fronts, taking positive action—

What action is that or was that?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I am not aware of the exact position to which my predecessor was referring. Any matter which arises between Canada and the United States concerning transboundary waters is dealt with through the appropriate existing mechanisms.

Mr. Wenman: What are they?

Mrs. Sauvé: In particular, the International Joint Commission.

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GRAIN

GOVERNMENT ACTION TO FACILITATE DELIVERY THIS WINTER—POSSIBLE GOVERNMENT AID IN REPLACING SNOWPLOWS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the Minister responsible for the Canadian Wheat Board. In view of the reference in the Speech from the Throne to steps which will be taken to facilitate grain handling this winter, does the government intend to bring forward legislation in this regard or, alternatively, is the minister prepared to make an immediate definitive statement about steps to be taken to facilitate grain deliveries?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I do not anticipate that steps for facilitating immediate grain delivery will require legislation, neither do I anticipate making a definitive statement at this time. We are examining a variety of steps which will be taken to improve our transportation capacities throughout the winter in order to assure that the full amount of grain we want to move can be moved to port.

Mr. Hnatyshyn: A supplementary question, Mr. Speaker. As the president of the railway employees union earlier this month said that all CNR snowplows are at least 30 years old and need replacing, does the minister contemplate making any contribution or becoming involved in the replacement or provision of snow removal equipment and the like?

Mr. Lang: Mr. Speaker, there is no intention at present on the part of the government to spend money directly in connection with both of those matters.

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EXTERNAL AFFAIRS

REASON FOR ABSTENTION FROM VOTE IN UNITED NATIONS ON PALESTINIAN RESOLUTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is supplementary and directed to the Secretary of State for External Affairs. It relates to the abstention of Canada from the vote on the Palestinian resolution. That having been done without parliament having had anything to say about it, which was a slap in the face for Israel, why was it the other day, when I endeavoured to raise this and have it discussed in the House, that Liberal members including a member of the cabinet said "no" and denied unanimous approval for

discussion of something that has placed the Jewish people in a shameful position.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I think it would be useful to mention that the vote which Canada registered at the United Nations—

Mr. Diefenbaker: Abstained from, you mean.

Mr. MacEachen: —which was registered, was in company with a good number of other friendly and responsible powers.

Mr. Diefenbaker: What about the United States?

Mr. MacEachen: In no sense was it intended that the abstention, as suggested by my right hon. friend, would put Israel in any disadvantageous position. The Canadian policy with respect to Israel is well known to my right hon. friend and has not changed—

Mr. Diefenbaker: It is bi-focal.

Mr. MacEachen: —by one iota by that vote and the right hon. gentleman knows that.

Mr. Diefenbaker: Mr. Speaker, I appreciate the unusual capacity of the minister to read what is in somebody else's mind. May I tell him he is so mistaken because, always, the policy has been pretense toward the Jews in Canada in the face of stands taken opposed to Israel in the United Nations.

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CONSUMER AFFAIRS

SUGGESTED REQUIREMENT OF NUTRIENT ANALYSIS ON LABELS OF ALL PROCESSED FOODS

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of current problems concerning food and food costs, has the minister's department considered requiring that all processed foods for human consumption carry a guaranteed analysis on the label?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I recently announced tentative regulations made public some ten days ago to provide for increased nutritive content in many food stuffs. These regulations have been proposed and are now being dscussed with both the industry and all those concerned before they are made official. They will bring up substantially the nutritive content standards presently applicable on many food products. If the hon. member is interested, I will send him a copy of these draft regulations.

[*English*]

Mr. Malone: My supplementary question, Mr. Speaker, is directed to the Minister of Agriculture. First, may I say that I am pleased with the answer given by the Minister of National Health and Welfare. However, since the federal Department of Agriculture requires processed feed supplements fed to pets and domestic animals to carry a guaranteed nutrient analysis, will the minister assure us that he will share these views with the Minister of National Health and Welfare. I ask this because it is important to know the percentage and nutrient value of additives, if human foodstuffs are to have the importance that we give to domestic animal feeds.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Minister of National Health and Welfare and I are always concerned about the health of the nation. The hon. member can be sure that we are very concerned and will try to make sure such things are looked after, as we generally do.

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GRAIN

IMPORTANCE OF RAIL LINE ABANDONMENT TO PRODUCERS—SUGGESTED DISCUSSION WITH MINISTER OF TRANSPORT ON LIFTING FREEZE

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the minister in charge of the Wheat Board. As the freeze on rail line abandonment will end on December 31 this year and as the whole question of rail line abandonment is of vital concern to prairie grain producers and residents of the prairies, will the minister advise the House whether he has held discussions with the Minister of Transport and whether discussions have been or will be held with the railways prior to lifting the freeze?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, very lengthy discussions are being held between the government and the railways. In addition, my colleague, the Minister of Transport, is this weekend speaking with the ministers interested in this aspect of transportation from the western provinces, with a view to determining the appropriate course of action we should take as the January 1 date approaches. We have also received recommendations from the Canada Grains Council which has taken a serious and hard look at this question.

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EXTERNAL AFFAIRS

REQUEST FOR ASSURANCE NO REDUCTION IN NATO FORCES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question was for the Prime Minister. In his absence may I address it to the Secretary of State for External Affairs. Yesterday, when replying to the member for South Shore, the Prime Minister said that he did not intend to take steps next week in Europe which would lead to a withdrawal of our NATO forces in that area. Can the Secretary of State for External Affairs enlarge somewhat on that answer and assure the House that it is government policy not to reduce or withdraw our NATO forces in Europe for any reason in the next two years?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the policy of the government with respect to NATO has been frequently stated. It

exists and if there is any change in that policy, it will be announced in the House. But the policy stands.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

CUSTOMS TARIFF

The House proceeded to the consideration of a motion to concur in a ways and means motion with respect to the customs tariff.

Hon. C. M. Drury (Minister of State for Science and Technology) moved:

That a ways and means motion with respect to the Customs Tariff, laid upon the table, Tuesday, October 1, 1974, be concurred in.

Motion agreed to.

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CUSTOMS TARIFF

Hon. C. M. Drury (Minister of State for Science and Technology) moved that Bill C-27, to amend the Customs Tariff, be now read the first time and printed.

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

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● (1210)

FEDERAL BUSINESS DEVELOPMENT BANK ACT

MEASURE TO ESTABLISH CORPORATION

The House resumed, from Thursday, October 17, consideration of the motion of Mr. Gillespie that Bill C-14, to incorporate the Federal Business Development Bank, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I did not finish my speech last evening and I called it ten o'clock. It may have been that Madam Speaker did not hear me, because she recognized another hon. member. I think I should be the first speaker today.

Mr. Speaker: I am sure the House would agree to allow the hon. member for Dauphin (Mr. Ritchie) to conclude his remarks.

Som hon. Members: Agreed.

Mr. Ritchie: Mr. Speaker, last night I stated that I agreed with the general principle of this bill, but found there were serious problems respecting its administration. I wish to speak for a few moments about the necessity of bringing forward bills like this. The obvious reason is that there has been in the past few years a great change in the capital markets of this country. I think it can be said that in the past money was largely saved and lent in the community in which it was generated. A survey of businesses taken 25 years ago in the community of Dauphin would show they were started with money raised locally. In other words, local capital assisted local business. However, this is no longer the case. We expect the government to step in and provide capital. This is necessary because the practice of registered retirement savings funds, employees pension funds, annuities, mutual funds, and so on, have contributed to the pooling of capital in the large commercial centres of this country. This has been a significant factor in the urbanization of our country.

The time has come to take a second look at the formation and pooling of capital in this country. It is interesting to note that the Investment Dealers Association of Canada recommended to the government the introduction of a plan similar in concept to the registered retirement savings plan and the assisted home ownership plan, both of which are tax deferral savings types of plans. This points up the fact that we are continuing to accept a tax system which is basically a pitch against savings and in favour of spending. Our tax system is a deterrent to saving. A good tax structure should generate enough savings after the payment of taxes to carry on the country's business. The fact that we are involved in this situation shows that our economy is not being run well enough to generate the savings which are necessary for our continued growth.

Much of our inflation can be attributed to government spending. This is made possible by the capacity of the tax system to generate revenue at rates in excess of those projected. The government seems to be caught on a treadmill. They believe that in order to encourage Canadians to save, they must allow them to do it on a pre-tax basis. That is one reason this bill has been brought forward. This measure has been necessitated by the failure of our savings system to provide capital for small businesses. Small business needs much more than this bill in order to be viable. It is caught up in government regulations, labour relations and the fact that it is becoming increasingly difficult to run a small business.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I take this opportunity to address myself to the bill to incorporate the Federal Business Development Bank. As all hon. members know, the proposed bank is to take over the functions of the present Industrial Development Bank. The Industrial Development Bank has been of benefit to Canadians and others in the establishment of small, medium, and in some cases large businesses in this country when conventional funding has not been available. There are some thoughts I wish to put on record so the minister will have an opportunity to study them before he appears before the committee.

It would be useful to have the allotment of loans in number and amount broken down into more detail than is provided on pages 14 and 15 of the 1973 annual report of the Industrial Development Bank. When this matter goes to committee, the minister and his support staff should indicate the number of applications approved and the number of loans made in each category from zero to

$10,000, $10,000 to $20,000, and each $10,000 range through to $100,000, as well as $100,000 to $250,000.

My concern is that many people believe the Industrial Development Bank lends money to large industries rather than small businesses. The average loan made last year was in the neighbourhood of $48,000. Perhaps it would be appropriate to study this aspect of the bank to ensure that loans are being made to small, individual businesses in Canada.

There has been concern in my constituency, and I understand in other parts of the country, about the amount of red tape involved and the material required by the Industrial Development Bank. I presume the documentation required by this foster child, the Federal Business Development Bank, will also be too onerous for the small business borrower. To prepare the material for a loan of $10,000 to $12,000 requires lawyers and accountants. This eats up a goodly portion of the money borrowed. It is self-defeating to a degree because the whole of the money borrowed does not go into the business; it is eaten up by professional and other studies to determine whether the loan should be made.

It would be appropriate if the regulations under which the proposed bank will carry out its mandate called for less detailed information for small loans and proportionately more for large loans. It would cost less to provide a small amount of information in applying for a small loan, and proportionately more for a greater amount of information required for a large loan.

The Industrial Development Bank is referred to as a bank of last resort; it is a bank for people who have been turned down by conventional lending agencies, trust companies, finance companies, and so on. These are the people who end up at the door of the Industrial Development Bank. This would indicate that applicants were turned down by the conventional lending sources because those institutions were not prepared to take the risk. It therefore appears that the government, by funding the Federal Business Development Bank, is providing money for more venturesome risk enterprises. This is good, and I believe all Canadians appreciate the fact that the government is making these funds available.

● (1220)

In the past, the Industrial Development Bank has been, possibly, too concerned about getting adequate collateral for the loans it has made. It wanted the entire business establishment as collateral, plus an arm and a leg of the principal shareholders, in addition to any other movable or non-movable asset that could be found. In fact, they required more by way of collateral and guarantee than the conventional financial institutions. I hope the officials of the new bank will adopt an easier attitude toward requirements for collateral and personal guarantees, while still using their best business judgment.

There is another matter which concerns me. The federal government is now, of course, involved in lending money to Canadian business to assist the establishment and development of business enterprises in this country. Members in all quarters of the House applaud this decision though in effect it is a housekeeping measure, renaming and redirecting an existing institution.

[Mr. Dick.]

It should be borne in mind that the conventional lending institutions in Canada, including trust companies and chartered banks, have earned for themselves a strong reputation of helping to finance the sell-out of Canada to foreigners. This has been well documented. I believe most members of this House are aware of instances in which small Canadian firms desiring to expand have had their applications for loans declined by conventional lending institutions. Unfortunately, in these circumstances it frequently happens that United States firms are interested in buying them out or acquiring control. Then if the United States companies turn to the same financial institutions, they find they can get the loans which were denied the original Canadian applicants. This is most unfortunate.

I believe Canadian banks and financial institutions should be playing a more active social role in the development of Canada by and for Canadians. I hope that when the Bank Act comes up for review, a strong, hard look is taken at the way in which the banks in particular are hindering the development of Canada by Canadians. Perhaps there should be forced upon them by the government some restructuring of their philosophy. I am not a person who wants to meddle in business affairs because I believe business can handle itself as a general rule. On the other hand, the government was elected by the people of Canada to provide guidelines within which business should be allowed to operate.

There are one or two statistics I should like to cite in this connection, figures taken from the November, 1970, issue of the Survey of International Business, an official publication of the United States Department of Commerce; they may be somewhat out of date now, but they are nonetheless of interest. They show that in 1963, United States affiliates in Canada generated no less than 83 per cent of their financial requirements in Canada itself, and only 12 per cent in the United States, and that by 1969 the amount of capital generated in Canada had risen to 93 per cent, leaving only 7 per cent to be imported from south of the border. This means, of course, that Canadian institutions are supplying the funds needed by United States affiliates.

At this point, Mr. Speaker, it seems to me we should do well to consider what Canadians are thinking about foreign ownership in Canada. A poll was taken in the spring of this year by the Gallup organization, the question being: would you favour, or oppose, legislation which would significantly restrict or control further foreign investment in Canada? Nationally, 69 per cent of the Canadian people favoured legislation to control the expansion of foreign ownership. The region in which an affirmative vote was lowest was Quebec, where 54 per cent of those polled were in favour of the legislation. In Atlantic Canada, the figure was 69 per cent; in Ontario, 72 per cent; on the prairies, 71 per cent; and in British Columbia, 77 per cent. This establishes clearly enough that Canadian citizens wish the government and parliament to give directions and guidelines which would increase Canadian control and restrict foreign ownership of the economy.

All parties in this House pay lip service to the merits of Canadian ownership; they favour the idea that Canadian lending institutions should promote Canadian ownership to a far greater extent than at present. Well, we are now

setting up a financial institution to be funded by the government of Canada out of moneys contributed by the taxpayer to the consolidated revenue fund. Yet there is no word in the bill before us which would keep it in line with the intent of Canadians as expressed through polls and by spokesmen from all parties in this House.

I suggest, therefore, that the minister in charge of this bill should himself propose an amendment during the committee stage, one which I believe would prove acceptable to everyone in the committee. What is more, I believe it would be endorsed by the entire Canadian community. What I am suggesting is an amendment to clause 4(1) or to some other clause as might be required. For example, "The objects of the corporation are to promote and assist in the establishment and development of business enterprises in Canada as long as the said business enterprises are owned by Canadian citizens, or landed immigrants within the meaning of the Immigration Act, or a Canadian company, 51 per cent of which is owned by Canadian citizens or landed immigrants". I think that within the scope of the legislation as now drafted, the fact that an application can be made by a foreign company to use the funds of the bank to foster further purchases of Canada by non-residents is regrettable, and I believe an amendment of this nature would be appreciated and accepted by all parties in this House.

● (1230)

At the same time, Mr. Speaker, I am not trying to be negative in my approach to foreign investment in Canada. We know we need foreign investment in this country. But it would be much better for Canadians if this investment were financed by money from outside our borders rather than by using our own resources to buy us out.

If an amendment such as I have proposed is put forward and carried in committee or at report stage, it would also have another beneficial aspect; it would make the entire resources of the new Federal Business Development Bank available to Canadians or to landed immigrants who own Canadian companies. In other words, instead of 50 per cent ownership being held by Canadians and 50 per cent by foreign-controlled enterprises or foreign nationals, Canadian ownership would be 100 per cent. It would be money that the government is willing to lend Canadians to help make Canada grow and to build up Canadian ownership of our economy. I, for one, think this would be a very advantageous step.

Some people might say that the government should not involve itself in business decisions. May I point out that the government of this country, as sanctioned by parliament and the people, have already directed themselves in this matter. Today the government are requiring Canadian content in television and radio broadcasting. They have already instigated legislation, now the law of the land, requiring a certain percentage of Canadian ownership in our banks and certain financial institutions. They already require that our uranium companies remain under Canadian control. I think it would be very beneficial to the country and to the bank if this small restriction were imposed. I do not think it would send any shock waves or tidal waves through the business community, but it would guarantee that all the funds of the new Federal Business Development Bank would be available to Canadian citizens and Canadian-owned companies to enable us to own more of this great land of ours.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I welcome this opportunity to make a few brief remarks in connection with the Federal Business Development Bank. In looking over the bill, I note that in clause 4(2) the following is provided:

> The corporation in carrying out its objects shall give particular consideration to the needs of small business enterprises.

I think that is an important consideration. There is a need to finance small business in Canada, particularly in western Canada where we do not have, at least in my own province of Saskatchewan, the large type of corporation. I note no interpretation is given of the term "small business enterprise" and I think it would be valuable if such an interpretation were provided in the bill. I also welcome the provisions in the bill pertaining to the managerial advice that might be given to businesses, in the form of counselling and training. This will be welcomed by small businessmen who do not have access to the kind of information and training that is necessary to properly carry on such business.

The basic effect of this bill is to transfer the functions of the Industrial Development Bank from the Bank of Canada to the Department of Industry, Trade and Commerce, which I look upon with mixed feelings. Generally speaking, I would think that the Bank of Canada would look upon a business loan in a businesslike way, whereas I am concerned about the kind of bureaucratic build-up that is occurring in many of our government departments today. I hope that by putting the Federal Business Development Bank under the portfolio of the Minister of Industry, Trade and Commerce we will not end up with a bureaucratic nightmare.

I also hope that the board will develop a policy and use the facilities of the bank for the general interest of all Canada, and that it will not be used as a means of furthering the interests of one region of Canada as opposed to another. When the IDB came into being a few years ago, it was initially very popular among the business community in my constituency and was welcomed. But in recent times the IDB has been used less and less. In the province of Saskatchewan, people have been turning to the provincial government organization known as SEDCO—the Saskatchewan Economic Development Corporation.

This situation has concerned me somewhat because SEDCO sometimes requires the transfer or sale to it of certain of the capital stock of the corporation it is lending money to, with the result that the government is getting its fingers into the pie. It is not taking such shares as security for the loan but, rather, is taking them as a condition of making the loan, and the government remains one of the owners of the small business concerned.

I suggest that one of the reasons there has been a movement away from the IDB is that a great deal of documentation is required before a loan is approved. This sometimes takes several months, and businessmen are not always in a position to wait several months for a decision. If a businessman is developing a new business, he is not in a position to wait this length of time, in view of the weather conditions in my part of the country. Not only is

lengthy documentation required, but as my learned friend who spoke before me mentioned, assets are tied up, including one's arms and legs. The IDB requires stringent personal guarantees and there are many other restrictions. Having talked to accountants in my own constituency, I am convinced this is one reason small businessmen have not been using the IDB.

● (1240)

I believe the lending policies of the Federal Business Development Bank should be economical and that the amount of accounting and legal work should be at a minimum. I believe that the requirement for security should not be restrictive. I hope this will prove to be a bank that businessmen will be able to go to and get a decision as to whether a loan will be approved without undue delay, with the result they will know where they stand.

I have nothing further to add except that I am in support of the bill and will follow with interest the progress of this bank, over the years.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

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EXPORT-DEVELOPMENT ACT

AMENDMENTS TO INCREASE AUTHORIZED SHARE CAPITAL, CLARIFY DEFINITIONS AND POWERS

Hon. C. M. Drury (Minister of State for Science and Technology and Minister of Public Works) moved that Bill C-9, to amend the Export Development Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Hees: Mr. Speaker, I understand the minister is going to speak for the government.

Mr. Drury: Mr. Speaker, I had assumed that there would be unanimity in respect of second reading and reference to the committee, but if hon. members would like some indication of the scope of the bill, I should be pleased to make a few remarks. The purpose of this bill to amend the Export Development Act is to encourage further expansion and diversification of Canada's foreign trade. The impact of these measures will be particularly significant for Canada's capital goods manufacturing and service industries. It is through the development of these industries, to which continuing export markets are so vital, that we can in turn foster the development of Canadian industrial technology and employment opportunities.

Let me also emphasize at this juncture that the size of the financial resources needed is determined not by the control or ownership of the supplier Canadian company or by the financial strength of the foreign borrower-buyer. The size of the financial resources needed is determined by two factors: (a), the vitality and entrepreneurship of Canadian businessmen, big and small, who have identified and are going after export opportunities. Small Canadian businessmen and small Canadian businesses participate as

direct beneficiaries in a major way through the operations of the Export Development Corporation. And (b), by the kind of competitive financing provided to their foreign competitors by the government institutions of their foreign competitors.

We are trying to upgrade our raw materials prior to export to assure that the value added in the upgrading process takes place in Canada. We are also striving to increase the export of Canadian manufactured goods for the same reasons. If we are to be successful, the market opportunities for the products of our capital goods industries must be attacked on an internationally competitive basis.

Continued growth and competitiveness of the capital goods and service industries is crucial to the health of the Canadian economy. Hon. members are all aware that Canada has one of the fastest growing labour forces in the industrialized world and one of the largest export sectors, relative to the whole economy, among industrialized countries. The capital goods industries provide many jobs for Canadians either directly or through the demand for components and raw materials. A healthy and growing capital goods industry will be an important element in the continuing implementation of job-creation policies.

In addition to these ongoing needs, should there be a contraction in foreign demand and more intensive international competition in the export markets, a strong export development program will be an essential element in maintaining Canada's international competitiveness and the employment that would be the result.

The Export Development Corporation is a Crown corporation whose purpose is to facilitate and develop export trade by the provision of export-oriented financial facilities. It was established in 1969 as the successor of the Export Credits Insurance Corporation. The functions of the corporation are: to make loans to foreign buyers of Canadian capital equipment and services on terms and conditions which are competitive with those offered by other major trading nations in support of their exporters; to insure Canadian firms against non-payment when Canadian goods and services are sold abroad; to guarantee financial institutions against loss when they are involved in financing an export transaction; to insure Canadians against loss of their investments abroad by reason of political actions.

Eighteen months ago, in April, 1973, the House passed amendments to the Export Development Act which provided for an increase in the ceiling on long-term loans and guarantees. At that time the minister of industry, trade and commerce said this was an interim measure and that a more comprehensive bill was being prepared. That comprehensive bill, Bill C-10, was presented to the House during the last parliament but was not considered because of dissolution. Bill C-9 which is presently before the House, with one minor technical change, is the same bill that was given first reading in the last session of parliament as Bill C-10. This technical change was made to avoid potential confusion between the application of the definition of "foreign customer" to the export credits insurance sections of the act versus the long-term financing sections of the act.

The main purpose of the bill, however, remains the same as Bill C-10, and again I commend it to the House. That is, to provide for increases in the corporation's financial ceilings in each of its areas of activity. These increases are required to sustain the expansion of successful Canadian exporter activity and it is intended that these increases serve the requirements of the Canadian exporting community for several years.

In addition, there are a number of technical and administrative amendments proposed, the purpose of which is to clarify some definitions and improve some administrative procedures where experience has shown that a change will enable the Export Development Corporation to serve Canadian exporters and investors more efficiently. I do not propose to deal with these administrative amendments in my remarks today but, rather, will leave them for more detailed elaboration in committee.

The export credits insurance facility applies mainly to exports of commodities, manufactured goods and services which are sold on short and medium credit terms; that is, up to five years. The present ceilings total $1 billion. This is made up of $500 million for the corporation's risk—sections 24 to 26—and $500 million for the government's risk—sections 27 and 28—the latter being for situations that are not normally appropriate for the corporation's account but which, in the opinion of the Minister of Industry, Trade and Commerce and the cabinet, are in the national interest. It is proposed that the ceiling for each of these sections be raised from $500 million to $750 million, increasing the total export credit insurance facility from $1 billion to $1.5 billion.

When speaking of expanded EDC activity, attention is usually focused on the growth of its long-term lending. I shall be speaking of this shortly. But it is also important to realize that there has been important growth in the sector of exports covered by the insurance program. In 1973, the volume of exports insured was $565 million, more than double the amount of five years ago, and prospects are that the volume of coverage for 1974 will exceed $700 million. Consequently, there is need to increase the insurance ceilings to provide adequately for continued growth in the years ahead.

● (1250)

The facility for long-term loans and guarantees applies to exports of capital goods and services which customarily justify credit terms in excess of five years. The current ceilings total $1,950 million, made up of $1,500 million for section 29—corporate account—and $450 million for section 31—government account. It is proposed that these ceilings be raised from $1,500 million to $4,250 million for section 29, and from $450 million to $850 million for section 31, increasing the total lending ceiling from $1,950 million to $5.1 billion.

This increase may be startling to hon. members, and indeed it is one of major significance. The dimension of the increase is a function of two factors: a change in the definition of the ceiling and, more importantly, a reflection of the remarkable success of Canadian capital equipment and service suppliers in winning contracts abroad.

Hon. members may recall that last year there was considerable difficulty in comprehending exactly where the corporation stood in relation to its ceiling for long-term lending. This was because the ceiling as currently defined relates to notes outstanding and not, as we now propose, to signed loan agreements. The difficulty arises because notes become outstanding as the corporation makes disbursements, and this often extends for a very considerable period of time after the signing of a loan agreement; in some cases as long as five or six years. During that period the corporation is also receiving repayments on signed agreements, which reduces the gross amount of notes outstanding. Consequently, the net amount of notes outstanding that will ultimately result from a given level of signed financing agreements is, practically speaking, always less than the total amount of those signed agreements. Therefore, we are proposing to redefine the ceiling in terms of signed agreements net of repayments—a number which can instantly be ascertained and related without confusion to the ceiling.

The most important reason for increased ceilings, however, is the remarkable continuing success of our capital goods and services producers in winning overseas orders. These exporters include suppliers of engineering and technical services; transportation equipment such as ships, aircraft, locomotives and off-highway vehicles; telecommunications equipment; heavy duty electrical goods and power generation equipment, including our CANDU nuclear power system; foreign industries equipment; steel mills, and a variety of other items related to such areas as chemical pollution control and scientific research.

Our manufacturers have penetrated new foreign markets and developed a momentum of success which has resulted in the employment of a significant number of skilled Canadians. An essential element of this success has been the availability of internationally competitive long-term financing from EDC. During the 1960s, long-term financing averaged approximately $50 million a year, but in 1970 it reached $100 million. It has grown markedly in each subsequent year, and in 1973 signed loan agreements totalled $463 million.

Prospects for 1974 are that EDC's long-term lending will exceed $1 billion. This is expected to be made up of approximately $650 million under section 29, and some $400 million under section 31. This is an unprecedented level of capital goods export activity, but all current indications are that these levels can be sustained and in fact may grow in future years. Therefore, the levels of the new ceilings being proposed are necessary to accommodate this activity, and it is expected that they will provide a reasonable period of some three to five years before the ceilings may again have to be reviewed by parliament.

The need for the new ceilings is more urgent than might appear on the surface. The $1 billion of 1974 lending relates to projects which have been before EDC for a long period of time. In addition to this, there is more than another $1 billion in the pipeline at various stages of development. New projects continue to come forward every day. The point is that there is a long gestation period between an initial inquiry seeking confirmation of financing availability and the signing of an agreement. EDC is virtually committed against its present ceilings and difficulties could arise if new legislation is not forthcoming at this time. It is important to ensure that we do

not risk disruption in the continuity of our capital goods export sales.

The foreign investment insurance program was established in 1969 and is the newest of EDC's facilities. The current ceiling is $150 million and it is proposed that this be increased to $250 million. At present, there are some $30 million of policies outstanding, with a further $125 million of projects under active consideration. The amount of the proposed increase in the ceiling is intended to provide for future requirements over at least a three-year period, and will facilitate the entry of Canadian firms into international joint ventures.

Such joint ventures are suited to Canadian commercial policy and the development policies of most foreign governments because local knowledge and capital supplied by resident partners can be blended with Canadian capital and engineering technology. In fact, in most countries today a joint venture is the only viable vehicle for facilitating Canadian investments in foreign markets. The joint venture ensures a foreign country of a real commitment on the part of Canadian engineers and management and protects the Canadian equity position.

An expanded foreign investment insurance service as provided by Bill C-9 will help to encourage and facilitate sound Canadian joint ventures in other countries. It is a fact of life that official support is provided by all major countries in support of their exports. These arrangements exist to make financial services available to cover risk and provide credit terms which are more favourable than the facilities normally available in the private sector. The existence of such official support means that Canadian exporters need the same package of financial services in order to compete effectively.

These services are needed because the foreign buyer considers both the commercial contract and the financial terms offered and then compares this over-all package to that offered by, for instance, the Japanese, the Americans or the French, all of whom provide substantial support for their exporters. Hon. members should be aware that lack of fully competitive export financing facilities in Canada would critically impair the ability of Canadian capital goods and services industry to compete internationally.

Mr. Speaker: Order, please. It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Drury: Mr. Speaker, when the House rose for lunch I was just making the point that hon. members should be aware that lack of a fully competitive export financing facility in Canada would critically impair the ability of the Canadian capital goods and services industry to compete internationally.

It should be emphasized that the services of EDC are not provided to buy foreign orders with cheap financing; that is, EDC only matches foreign competition, it does not undercut it. EDC financing is only available for exporters who are thoroughly competitive on the commercial fundamentals of price, quality, delivery and after-sales services. With the continuing need in Canada to provide skilled employment, a healthy capital goods order book will be a valuable hedge against the possibility of contractions on foreign demand. In such a situation, the international competition for export orders will be intense. A strong EDC program will be an essential element in maintaining Canada's international competitiveness.

In the discharge of this very important function, EDC will work increasingly closely with the Canadian chartered banks and it is EDC policy to seek maximum private sector participation in a loan, consistent with providing internationally competitive financing.

● (1410)

The combination of private sector and EDC financing is structured in each case to match the financing offered by the official support institution of other competing countries. EDC lending is basically undertaken on the authority of its board of directors. The board of directors is composed of senior government officials as well as representatives of the Canadian private sector. EDC operates according to commercial criteria. It does not make imprudent loans to secure capital goods business at any cost. EDC requires that the terms of the loan be appropriate to the transaction and consistent with international practice, and that the project for which the loan is made is commercially viable. EDC is prudent in arranging for the security of its commitments and frequently obtains unconditional government or central bank guarantees of payment.

Hon. members are aware that the government's proposal for a Federal Business Development Bank—which was dealt with just before the present bill was introduced—is to assist small businesses in their domestic endeavours. We also have the program for export market development and, in addition, a complete range of EDC services to assist small businesses in their export activities. There is a very considerable degree of small business involvement with the export credits insurance program. At the end of 1973, 939 insurance policies were outstanding. Of this number, 727 were short-term relating mainly to sales of consumer goods, and 212 were issued for capital goods and services. Fifty-six per cent of the consumer goods policies were issued for an annual export sales volume of under $100,000, while 33 per cent of the capital goods policies were for sales of goods and services each under $100,000.

In addition to these insurance facilities, EDC also makes long-term loans or guarantees directly to foreign borrowers to finance exports of capital goods and services sold by small Canadian business. For instance, the Minister of Industry, Trade and Commerce (Mr. Gillespie), announced earlier this year in Winnipeg that EDC made a loan of $500,000 to Poland for the purchase of pre-stressed concrete manufacturing equipment from Spiroll Corporation of Winnipeg.

As a further indication of EDC's ability and willingness to assist small business, the corporation—and this is a very recent decision of the board—will provide financing for capital projects irrespective of size, including those below $1 million, provided of course that the project war-

rants long-term financing on the basis of internationally accepted criteria. In the past, some hon. members have focused on this particular facility and alleged that, in dollar volume, few loans seem to have been made in support of sales by small businesses. When the situation is properly analysed, one realizes that long-term financing—that is, on terms in the range of 5 to 15 years—is generally appropriate, whether speaking domestically or internationally, for larger transactions.

I have pointed out that in the short and medium term credit areas, EDC is heavily involved with small business through its insurance program. This is not to say, however, that small business does not benefit importantly from the long-term financing facility. The exporter of record may often be a large firm located in a major industrial area, but the chain of sub-suppliers extends to all parts of Canada and down to the smallest of Canadian manufacturers. This effect is reinforced by EDC's minimum 80 per cent Canadian content policy. For instance, a CANDU nuclear power system sale would involve upward of 200 Canadian suppliers, with contracts ranging as low as $500.

Our success in sustaining high employment and meaningful growth over the longer term will depend on our success in stimulating the growth of the right kind of industries. For the 1980s and beyond, these are industries that do more than just create jobs. They must create jobs for an increasingly well trained labour force which, in turn, is essential in order to keep Canada in the forefront of high-technology industries. But it is these industries that more often than not depend on continuous access to foreign markets in order to stay competitive. Just one example is our engineering consultants. An increasing number of them are working all over the world, and indeed so they must if they are to stay pre-eminent in their fields. It is, of course, precisely in this sector of high-technology capital goods and services industries that EDC support is essential. If this support were withdrawn or curtailed in the interests of short-term considerations, the damage to our long-term development prospects would be out of all proprotion to whatever short-term benefits might be realized or thought to be realized.

To put it another way, either export markets are essential to the long-term well-being of a particular company, or not. Where they are essential, the company must maintain and try to expand its foothold in foreign markets on a continuing basis. International business is much too competitive to allow us the luxury to venture abroad when it is convenient, for instance when economic activity is slack at home, and to stay out of foreign markets when domestic demand is brisk.

Also, in considering an expanded rate of activity for the EDC at a time when inflationary pressures are still strong in Canada as elsewhere, it is important to differentiate between what economists are fond of calling macro-economic and micro-economic considerations. Anti-inflationary fiscal and monetary measures, to be effective, must affect the aggregate of economic activity. But it would be a serious mistake to attempt to further strengthen these measures by depriving individual companies of EDC support and, hence, of their ability to compete abroad. It is for this reason that I am proposing increases in EDC insurance, lending and guarantee ceilings that are quite substantial. The Canadian firms who utilize EDC's services continue to be required to meet stringent criteria relating to the benefit of an EDC-supported transaction to Canada and Canadian industrial development objectives.

Once an applicant meets these criteria, it would not make sense economically, nor would it be fair to individual exporters, if ceiling were set too low relative to expected demand. Of equal importance, the annual allocation of funds to EDC must of necessity reflect not only the trade opportunities available to our firms, and our long-term development objectives, but also the realities of domestic monetary and fiscal policies. Hon. members should appreciate that what is sought is a balance between the situation of the moment and the requirements of Canada's future.

In conclusion, let me emphasize that the Export Development Corporation has an essential role to play in the industrial development of Canada. The next few years are critical in this development, but they hold considerable opportunity to develop export markets as our own manufacturing industries build on the base of our resources. The provisions of this bill will ensure that the facilities of EDC are available to capitalize to the fullest extent the opportunities of the coming years.

Hon. members will recall that last year the Minister of Industry, Trade and Commerce said that a general review of the corporation's activity would be possible when this bill was brought forward. The House may consider that this should be done in the standing committee. The minister has indicated to me that he looks forward to that opportunity.

Mr. Stevens: Mr. Speaker, would the minister accept a question? I was wondering if the minister could confirm, or otherwise, the present liability ceiling under section 29 of the act and referred to in section 30 of the existing act. Has the corporation stayed within that ceiling? What are the liabilities of the Export Development Corporation as of today?

Mr. Drury: Mr. Speaker, rather than answering that question off the cuff I would prefer to consider it carefully. There has been some confusion about our liabilities in terms of ceilings—whether they are net or gross, refer to loan agreements or to the sum total of notes issued to date. Rather than give an offhand answer, I prefer to seek advice.

● (1420)

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, the principle of assisting exports by making loans to foreign customers who buy Canadian goods and services has long been supported by members in all parts of this House. In putting this principle into practice, the emphasis should be on helping small and medium-sized Canadian producers make export sales abroad because of their greater need for this kind of assistance. I think all hon. members agree that the big producers are far better able to arrange, through regular commercial channels, the financing necessary to make sales in the export field. Therefore, the chief objection which the official opposition finds in the legislation before the House is that it

contains no provisions to make export financing available for orders of less value than $1 million.

I checked this recently with an official of the Department of Industry, Trade and Commerce. He has charge of these matters. He told me that this is not in the bill, but it is a corporate procedure followed by the Export Development Corporation and that in fact the Export Development Corporation does not provide export financing for orders below $1 million. This makes it impossible for small businesses to participate to the extent they should in obtaining export orders.

In the United States, the Export-Import Bank places no lower limit on the dollar value of a sale which it will assist. It carries out this kind of assistance by means of its Co-operative Financing Facility, which the Export-Import Bank outlines as follows. I quote from their operational directive:

> With its Co-operative Financing Facility (CFF) the Export-Import Bank of the United States helps make credit available to small and medium-size purchasers of U.S. equipment and related services through banks in their own countries.
>
> The CFF concept is simple: Eximbank arranges the co-operation of financial institutions (CIs) abroad to extend loans at their own risk to purchasers of U.S. exports. Eximbank in turn lends these CIs half the funds at a low rate of interest—currently 6 per cent per annum. The CIs provide the other half from their own resources.
>
> If a CI wishes to borrow its half of the financing, Eximbank can assist by guaranteeing repayment to another lender of these funds.
>
> The CFF accomplishes the following:
>
> It brings Eximbank financing to the doorsteps of small and medium-size enterprises that might not otherwise be able to purchase U.S. goods and services. All a buyer need do is call on a CI in his own area. The CI's familiarity with the customer's credit standing and local market conditions enables it to reach a decision quickly on the loan request.
>
> The CFF enables a CI to—
>
> 1. Broaden its lending capacity;
> 2. Increase its resources;
> 3. Develop new relations with existing customers; and
> 4. Attract new ones.
>
> It helps U.S. suppliers expand their exports and services to enterprises which lack experience in financing overseas purchases. Many enterprises find working with their own bank the most convenient way to obtain their financing.

The next part is very important.

> There is no upper or lower limit to the size of an export loan within the agreed total.
>
> A cash payment by the CI's customer of 10 per cent is required for each transaction. Thus, Eximbank's portion of an export loan will equal 45 per cent of the export sale.

Thus, we see that by making use of the commercial banks in the countries concerned, the Export-Import Bank achieved two very important objectives. The first is that by having the local commercial bank cover half the loan, the capital which is made available by the government for assisting the export program can be spread over twice the volume of contracts which would otherwise be possible. The second benefit is that there is no need for a lower limit to the size of orders that can be handled, because the local bank investigates the credit worthiness of the proposed transaction and, because of its local knowledge of the applicant and the project for which the financing is requested, there is no problem in handling relatively small orders.

The program I have described has worked very satisfactorily in the United States for many years, and losses have been minimal. There is no reason why such a program will not work equally well in this country. It would provide a much needed service, which would greatly increase the ability of small and medium-sized Canadian producers to obtain export orders which are essential if production and employment are to keep up to a satisfactory level in this country. The benefits of such a program are obvious: it would bring increased employment, taxes and profits because of the additional business for this country.

In order to greatly assist small and medium-sized businesses to obtain export orders by the use of export financing, I intend when the bill reaches committee to move an amendment. This amendment will incorporate into the bill the original intention of parliament that there should be no discrimination against small and medium-sized businesses in the form of a floor below which credit terms are not available for potential export orders.

Some hon. Members: Hear, hear!

Mr. Hees: As hon. members know, and as I said earlier, the Export Development Corporation which this bill deals with has placed the lower limit at $1 million. This is the minimum order which it will finance. The second objection which the official opposition has to this bill is that in making export financing available, the government does not give preference to Canadian companies as opposed to large multinational corporations. These corporations, as every member of the House knows, can afford to provide the export financing they need through regular commercial channels. We believe that export financing, which is made available by the government should go primarily to Canadian companies, particularly to small and medium-sized companies. My very able and distinguished friend, the hon. member for York-Simcoe (Mr. Stevens) will be dealing with specific aspects of these matters when he speaks later in the debate. I am sure he will do an excellent job, as he always does.

● (1430)

In conclusion, I say the time is long overdue for the government to stop expending its main efforts in helping big business which is well able to look after itself, and it should begin at long last to help small business which greatly needs this kind of assistance in order to expand and develop and thereby strengthen the whole of the Canadian economy. Knowing that all members of the House strongly support small business in its endeavours to expand and provide more jobs for our fellow Canadians, I very much hope that when I introduce in committee my amendment on behalf of the official opposition, it will receive strong support from all members of the committee.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The hon. member for Greenwood (Mr. Brewin).

Mr. Drury: Perhaps before the hon. member for Greenwood speaks I could answer the question that was put to me by the hon. member for York-Simcoe (Mr. Stevens).

Mr. Deputy Speaker: The minister does not have the floor, but I am sure the House would give its consent.

Some hon. Members: Agreed.

Mr. Drury: Under section 29, the amount of notes outstanding as at September 30, 1974, was $710 million, which compares to the existing ceiling of $1,500 million.

Mr. Stevens: May I put a further question to the minister, following that answer?

Mr. Deputy Speaker: Again, the hon. member knows we are not in committee of the whole and our procedure can be only altered by consent. Does the hon. member for York-Simcoe have the consent of the House to ask a further question?

Mr. Brewin: Just one question.

Mr. Stevens: The minister has told us the amount of the notes outstanding. I asked what liabilities the corporation has agreed to undertake that is the actual wording of the section—not notes.

Mr. Drury: Since, unfortunately, there is some confusion as to the definition of the term "liabilities", I would suggest to the hon. member that this technicality would better be cleared up in committee rather than in the House.

Mr. Stevens: Still no answer.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, the party that I represent will not oppose this bill nor delay it, despite some misgivings we have about it. First, I should like to state that I entirely share the sentiments expressed by the spokesman for the official opposition, the hon. member for Prince Edward-Hastings (Mr. Hees). I share his apprehension that the funds provided under this legislation will not go to small business. We think that is where they should go, because they are the people who need the money.

It must not be forgotten that this whole act embodies a scheme of subsidization. This may be necessary in a competitive world, but we think a close scrutiny of the scheme should be undertaken with a view to finding out who is getting the subsidy—whether or not the benefit of the subsidy is going to companies who need it. I believe there is far too much bastard socialism, if I may coin a phrase—

An hon. Member: That is what we say.

Some hon. Members: Oh, oh!

Mr. Brewin: —under which the government dispenses taxpayers' money to people who have no real need of it, people who are well fixed to carry on their undertakings without government assistance. I hope the particular form of subsidy under the legislation we are considering will receive close scrutiny in this regard. Again, I recognize that in the competitive system of trade which exists in the world today, Canada cannot be the one country which abstains from a form of subsidy, but I believe an attempt should be made to diminish its level under international agreement, even if it cannot be removed entirely. However, the main emphasis of what I have to say concerns a different subject. I want to talk about the political implications of the bill before us in the international world, rather than about its strictly economic effects.

Some two years ago the government put out a paper on foreign policy, listing a number of goals. One of these goals was economic growth, another was social justice and a third, I think, was peace and security. The provisions of this bill and, indeed, the objects of the department which produced it—the Department of Industry, Trade and Commerce—seem to be exclusively concerned with economic growth. We do not, of course, deny the importance of economic growth, but we do insist there are some issues of social justice which should take priority over economic growth, in the basic interests of our country as well as of the world as a whole.

In a speech he made in June to the Canadian Jewish Congress, the Prime Minister (Mr. Trudeau) said, in effect, that the basis of Canadian foreign policy would be considerations of a humanistic and compassionate nature. The right hon. gentleman spoke with extreme eloquence, and no doubt I have not captured his exact words. But what do we find in this bill? We find that loans are extended to countries without any consideration being given to the political consequences of so doing. If the minister were here, I imagine he would say that these considerations of a political nature are rigidly excluded from any judgment as to who should and who should not be given a loan. We think that this is wrong, and I should like to give an illustration.

• (1440)

A little more than one year ago, on September 11, 1973, a military coup took place in Chile. We believe that Canadian policy under this act may be used to bolster the regime which came into power at that time. Social justice was forgotten. Since the coup, a consistent pattern of violation of human rights and the total suppression of democratic institutions has developed in Chile.

Mr. Gillies: Four hundred per cent inflation.

Mr. Brewin: Exactly. Many of us have received personal and well documented accounts of the present reign of terror—arbitrary arrests, detention without trial, systematic torture, and summary executions. I could cite authorities, but I think they are well known—for example, Amnesty International and the International Commission of Jurists have made reports fully substantiating what I have said.

The Canadian government almost immediately—and perhaps it was within its rights to do so—recognized the military junta. The then minister said that recognition does not imply approval. But economic aid does imply approval. I believe that economic aid to the military junta in Chile in the form of grants, loans, credits and investments strengthens the position of an oppressive regime in that country.

The military junta has embarked upon a program of free enterprise. It seeks foreign investment. While it does, the cost of life's basic necessities rises uncontrollably. Wages and most incomes are controlled and depressed. Unemployment has multiplied as the result of mass firings and

student expulsions. Trade unions and other means of representing the rights and needs of working people have been repressed and made illegal. So foreign aid enables this junta to continue its repressive policy.

Which international institutions are doing this? One of them is the Export Development Corporation which we are discussing today. As long ago as September, 1973, the same month as the coup, an export credit of $5 million was arranged for the purchase of de Havilland aeroplanes. This was not cancelled, though no deliveries had been made at the time of the coup. We would like an assurance from the minister at some stage that the Export Development Corporation is not going to continue a policy of financing repression and suppression of fundamental human rights by this sort of aid.

Then there is the question of private enterprise. I believe that part of this act is used to insure against loss of investments abroad through political risks. I do not know what is meant by "political risks", but it is a pretty broad definition, so evidently some political judgment is involved in granting this insurance. For example, it was recently announced that Falconbridge Nickel Mines were considering a $300 million investment in copper production in Chile. Well, I suppose that is their business. If that is what they want to do, then they should do it. But I do not think they need one dollar of support from the public treasury in making that investment in Chile, and I hope they are not getting it under the guise of some foreign insurance or foreign loan made available under concessions granted by this act.

The main point I am trying to make is that this act should not operate in isolation from other policies of the government. If the policy of the government, as the Prime Minister says, is based primarily on social justice, then considerations of social justice must come into the external operations of the Canadian government.

There must be adequate co-ordination between the Department of Industry, Trade and Commerce—a department which, by its very name, considers merely economic matters—and the Department of External Affairs, CIDA and other appropriate agencies, to ensure they are working together to build a better world, rather than using this agency to protect and sustain regimes that we abhor and which have been denounced by international tribunals.

These are the sort of doubts, difficulties and hesitations that we have about this type of legislation. It is not new legislation. The bill before us is amending legislation that increases the capital available. We do not think now is the time to seek to strike at the principle of the act, but we do urge the government to look into the questions I have raised and to give assurances to the House so that we can support what should be a program of assistance to small and medium-sized businesses in Canada to expand their exports. This principle is admirable and it has our support. But we do not want to find ourselves giving subsidies to people who do not need them, for purposes that we do not approve.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in speaking to this bill I should first of all like to note for the record that I am very disappointed that the Minister of Industry, Trade and Commerce (Mr. Gillespie) did not think that this bill involving some $5 billion of lendable Canadian funds, justified his attendance in the House today.

[*Translation*]

Mr. Clermont: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The Parliamentary Secretary to the Minister of Industry, Trade and Commerce on a point of order.

Mr. Clermont: Mr. Speaker, I just want to point out to the hon. member that the Minister of Industry, Trade and Commerce (Mr. Gillespie) left this morning with an economic mission for Brazil.

[*English*]

Mr. Stevens: If I may continue, Mr. Speaker.

An hon. Member: Apologize!

Mr. Stevens: In no way will I apologize for a minister of the Crown not being in the House when we are considering a matter of this magnitude.

Mr. Deputy Speaker: Order, please. I must remind the hon. member that it has never been considered relevant to question the absence or presence of members or ministers.

Mr. Stevens: Thank you, Mr. Speaker. In answer to my question as to what in fact is the ceiling under section 29 of the existing Export Development Act and whether that ceiling has been exceeded, the Minister of Public Works (Mr. Drury), acting for the Minister of Industry, Trade and Commerce, indicated that the notes outstanding at the present time amount to $710 million as of September 30, I believe he said. I point out that at the end of December, 1973, the notes amounted to $541 million, so we can see there has been an increase of approximately $160 million in notes.

I think it is significant that we have had demonstrated to us today how little ministers of the Crown really understand the operations of the Export Development Corporation. The fact is that Mr. Granby stated in Vancouver yesterday that they are lending over $1 billion this year alone. If you were to add this $1 billion in 1974 to the amount of loans outstanding at the end of December, 1973, it shows total liabilities and loans are over $1.5 billion. The current ceiling is $1.5 billion. In short, once again the government has violated the law of the land in its anxiety to dish out funds around the world through this corporation.

● (1450)

I think it is particularly pertinent to note that if the definition referred to by the Minister of Public Works is interpreted the way he desires then parliament was misled when the government last introduced this bill. At that time the ceiling under Section 29 was $850 million. We were told that if we did not pass the amendment loans would exceed that ceiling within a few months. Yet today we are told that loans as of September 30 still amount to only $710 million. In short, if he is right in his present interpretation, there was no need for the amendment to

the act in the early part of 1973 because loans are still below the old ceiling.

My colleague has already mentioned two very important changes we would like to see in this bill. When considering this legislation we should also consider what has taken place in respect to the administration of the Export Development Corporation. It is nice to sit and listen to the syrup handed out by the minister about how beautiful it is to have this type of lending facility. I noticed that he did not tell us about the champagne parties that take place at the EDC offices every time one of these agreements is signed, but we should point out to the Canadian public the kind of loans the corporation has been extending.

Would the average Canadian be willing to lend his pro rate share of $82.4 million to Iran? I would be very interested in knowing the reaction of the average Canadian to that question. Last spring $82.5 million in Canadian funds was loaned to Iran so that country could rebuild or build a forestry industry. The cost of this money to Canada through the EDC was something in the neighbourhood of 9 per cent to 10 per cent. As we all know, even Canada Savings Bonds are yielding 9¾ per cent. If you add an administrative charge of 1 per cent that means a total cost to the Canadian treasury of 10¾ per cent for the money the government of Canada has to borrow. The average cost of loans to Iran was 7 per cent. One can see from that alone that the Canadian public has been subsidizing Iran to the extent of 3¾ per cent on the $82.5 million loan.

For what purpose does Iran need money when, in the current year, it has enjoyed a budgetary surplus of $8 billion? If anybody should be lending funds, Iran should be lending them to Canada.

In this regard let us look at an article appearing in the current issue of *Newsweek*. We must keep in mind that not only $82.5 million was loaned to Iran but there have been several other loans made to Iran, for example a couple amounting to $2.1 million at 6¾ per cent interest, the benefactor in Canada being General Motors Corporation, the largest multinational corporation in the world.

While this government has chosen Iran as the recipient of almost $100 million in loans. The article in *Newsweek* points out that:

—the Shah . . . spearheaded the oil-producing nations' move to quadruple prices and . . . has since argued that the already stratospheric cost of oil should go even higher.

The article goes on to point out:

—even as the Shah was lecturing the superpowers, his emissaries continued to use their wealth to buy influence in the west—pledging $75 million to America's foundering Grumman Corp. The strategy fitted neatly into the pattern that the Shah has drawn for himself since the oil-producing nations imposed their embargo. Iran already has the largest military force in the Persian Gulf, but the Shah has set out on a damn-the-cost buying spree to increase his military arsenal. Last year alone, Iran spent $4 billion for U.S. weaponry, making the Shah the No. 1 foreign buyer of American military equipment.

Just imagine, we are lending money, nearly $100 million, to a country which in turn can afford to buy $4 billion worth of military equipment from the United States in one year. That is almost double the total national defence budget of this country for one year.

That money was used to buy 80 Grumman F-14s, 209 Phantom jets, 500 attack helicopters, 700 tanks and six destroyers. One official was quoted in this *Newsweek* article as having said:

"The Shah's power is growing enormously . . . We may be creating a Frankenstein monster."

The article goes on to state:

In addition to his store of U.S.-supplied arms, the Shah has built up the world's largest Hovercraft fleet, capable of landing a battalion of troops on the Arab side of the gulf within 25 minutes.

The article then states:

The Shah is also using his immense oil wealth ($20 billion a year) in other ways as he seeks to expand his sphere of influence. Iran has pumped $3 billion into Italy for joint business ventures, $1.2 billion into Britain in industrial loans, $1 billion into France in partial advance payment for five nuclear reactors and more than $7 billion into developing nations . . . The Iranians have also given $1 billion to the the World Bank, $1 million to George Washington University to train Iranian students—

Later the article goes on to state:

The Shah has also turned to private companies in seeking an outlet for his cash surplus. Less than three months ago, Iran purchased a 25 per cent interest in West Germany's giant Krupp Steel Works for more than $100 million.

Perhaps that is how our money was used, to pick up that 25 per cent interest for Iran in the Krupp Steel Works. The article then states:

Such massive investment at a time when Iranian oil prices are helping to undermine the Western economy may seem contradictory. But, in fact, it is in keeping with the Shah's tendency to play both sides against the middle.

I suggest that no other government has been an easier mark than the Canadian government in respect of this type of soft-lending activity.

The article goes on to speak of the opulence of the Shah, stating:

"At one party in a sizeable palace, everything that was not actually gold seemed to be marble or something equally precious. And the tiered rose garden leading to the olympic-size swimming pool was straight out of a 'Great Gatsby' set—as were the expensive-looking guests."

I point that out because it is typical of the present Liberal government. It adopts something which is good in concept, and certainly it is good to support Canadian exporters, particularly our small ones, but that does not mean that millions of dollars should be loaned to countries, such as Iran, which are obviously not in dire straits. Let us think of the consequences of a billion dollars being loaned this year alone.

● (1500)

A billion dollars this year, as was pointed out by Mr. Granby, compares with $50 million, a year in the 1960's. In today's inflationary times, on the average loan that the Export Development Corporation is making we find that the real dollars that will be returned to Canadians, after you put in an appropriate deflator for 1973—and I only use 1973, not 1974—result in a $576 million lost on $1 billion worth of lending activities by the time these loans are repaid in real buying power.

Second, I have already indicated that when we borrow at 9¾ per cent, charge a 1 per cent administration charge, and then lend the funds at 7 per cent, we are losing almost at the rate of 4 per cent a year on the loan itself. When that calculation is added to the one that I have just done

to give us real buying power with respect to $1 billion worth of loans, we find that the Canadian public will have either subsidized or lost its buying power to the extent of $918 million in respect of the $1 billion that is being put out by the corporation this year.

Surely it is madness for a government to act so irresponsibly, bearing in mind that my figures are based on the assumption that all the loans will be repaid. The fact is that the Export Development Corporation already has loans in default on its books. It already has loans which have required renegotiation in order to put them into an apparent current status. I would suggest that this is a Crown corporation that deserves extensive study, review, and better management than we have been seeing over the past few years.

I have referred to the fact that we borrow these funds to put into the Export Development Corporation, but here again I think the extent to which the government has been borrowing funds in Canada is often not realized. Before it took power the total liabilities of the present federal government were in the $30 billion category. In 1973 those liabilities amounted to $51,695 million. These were the gross borrowings of the Trudeau Liberal government. I understand that by the end of this year they will be nearly $55 billion in size. In short, in a peacetime period the government has incurred liabilities on behalf of the Canadian public to the tune of approximately $25 billion.

Now we have legislation before us in the form of this bill in which it is contemplating one Crown corporation alone having the capability to lend up to $5 billion of Canadian taxpayer's funds. Surely my colleague, the hon. member for Prince Edward-Hastings (Mr. Hees) and the hon. member for Greenwood (Mr. Brewin), are justified in saying that this legislation deserves close scrutiny when it goes to committee. I say "when it goes to committee" because obviously, with the brutal majority that the government has in this parliament, there is nothing that members on this side of the House can do effectively to restrain the arrogant, incompetent management shown by the government today.

An hon. Member: But it is you who called the election.

Mr. Stevens: When we refer to this type of funding, let us think of what $1 billion, and certainly $5 billion could do if it were spent within Canada. Every time one of our large urban municipal centres comes to Ottawa and asks: have you funds to help our urban transportation or help with our sewage and water capital expenditures, the answer is a flat no. Think what would be the effect if part of the money that is being earmarked for those multinational corporations could be earmarked for some Canadian activity, for example helping municipalities develop urban transportation systems, or sewage and water systems.

There is an energy crisis in the country. Would it not make better sense if this type of funding were made available here instead of being lent to the tune of almost $100 million to oil rich Iran? Would it not be better if we tried to use some funding to help in the production of atomic plants in this country, or in the development of new energy sources? We must bear in mind that not only are these kinds of funds being denied to urban centres but we find that there is a great deal of discrimination.

Just before this bill came up for second reading we dealt with the bill that is transforming, in some ways, the Industrial Development Bank. What a contrast there is between the government's attitude when its friends in the big business community need help and assistance, and its attitude when the small businessmen of Canada need some help and assistance.

I have indicated that the average interest on loans so far of the Export Development Corporation is around 7 per cent per annum, and yet the average loan of the Industrial Development Bank is at 11 per cent at present. We find that the loans through the Export Development Corporation in the last year which I have reviewed benefitted only 43 customers in Canada, but the loans through the IDB benefitted 16,075. What a distinction! The average loan made by the Export Development Corporation—including the one to Iran—is $23.3 million, but the average loan made through IDB is $45,000. That is the Trudeau government in action. You can certainly see where its sympathies lie.

I notice that in introducing this bill the Minister of Public Works said that all they are doing is simply following the competitive practices of various other nations in the world and that we have to keep up our end. What nonsense! Let me point out that in today's *Globe and Mail*, if the minister has not already noticed, it is said that the World Bank is lending its funds at 8 per cent. So why are we still lending funds at 7 per cent? Who is leading to whom? Perhaps certain of the investor nations in the world are correct in saying that Canada has done more to help soften financing than any other industrial nation in the world. That is a far cry from the suggestion that we are simply following. I suggest that we are doing an awful lot of leading. We are into reckless, irresponsible lending activities in this type of financing.

I mention this because, as I have indicated, with the brutal majority that the Trudeau Liberals have in parliament they can put through this type of legislation. They can run the Export Development Corporation as they see fit, and I suggest that over the past few years it has been poorly run.

But I want it placed on the record that while we are forced to pass this legislation, because we have no alternative, there will be a day of reckoning and this House, or certainly a subsequent parliament, will have to explain to the Canadian public why there have been write offs of tens of millions of dollars in loans that are being made at the current time to countries that will never repay the debt. In any event, the fact is that with buying power falling as it is, in an inflationary period such as the one in which we are living now, we cannot win if the Export Development Corporation continues to act as irresponsibly as it has done in the past few years.

● (1510)

I hope some skill will go into the operation of this corporation. I hope too that the government will at least give us a better opportunity than it gave us last time at committee stage to hear witnesses, to question certain of the officials of the Export Development Corporation and

to get a few of the facts—even the ugly facts—out on the table concerning this operation.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, my comments will be very brief because I know little about exports. I listened to what the minister had to say earlier and I want to tell him that we are entirely in favour of referring this bill to a standing committee of this House for thorough examination to make it more readily available to Canadian companies because under the recommendations this measure is designed to amend

the Export Development Act to increase the authorized share capital of the Corporation from $125,000,000 to $400,000,000 and to permit the Minister designate to subscribe for shares with payments out of the Consolidated Revenue Fund;—

—or the taxpayers' credit—

—to permit the Corporation to borrow up to ten times the aggregate of the authorized capital and the amount credited to the capital surplus amount; to broaden the definitions "foreign customer", "instrument" and "investment in a foreign country" for the purposes of the Act in the manner prescribed; to increase the maximum potential liability of the Corporation under sections 24 and 25 of the Act and under sections 13 and 13A of the Export Credits Insurance Act from $500,000,000 to $750,000,000;—

Mr. Speaker, as I said a while ago, I listened with great interest to the minister's speech. He stated that we do lack export facilities, which has lost us several foreign markets because, as the minister said, we lack organization and export facilities.

He said that Canadian companies must have access to the export services to be able to compete with other countries. He even mentioned the employment opportunities that the adoption of this bill would bring to the country.

The minister even established a parallel with Bill C-14 to incorporate the Federal Business Development Bank by saying that this bill would help Canada's small and medium-sized businesses. But if we are content to listen to the minister and do not read each line of the bill, we shall say: What the minister has just said is great. This bill will protect the small businesses through the Federal Development Bank. After reading Bill C-9 and listening to the explanations given by the minister, I thought that small businesses would finally have the protection that they have needed for many years.

Mr. Speaker, this bill includes no provisions for orders lower than $1 million. This is why, after hearing the spokesmen for the Progressive Conservative and New Democratic Parties, I wish to associate myself with them and ask the minister to bring an amendment to this bill, because it is impossible to do so in committee, which amendment would make the provisions of the bill available to the small Canadian industries. Mr. Speaker, it is impossible for small industries to benefit from this act if its provisions are restricted to $1 million orders.

The small industries who have sales of $400,000 or $600,000 will not be able to benefit from this act. In my opinion, this is very important and I therefore wish to comment specifically on this subject and to defend the small industry, because since my arrival in this House, I have heard people say: The small industry will finally be protected. When it comes to acting, Mr. Speaker, it is always zero. It is always the same old thing.

The hon. member who spoke before me said to the minister that in the past the Export Act had greatly favoured the multinational corporations. And how! If it is true that we loaned $17 million to 43 companies, there cannot be many small businesses that got the benefit of these loans.

That is why it is urgent to call on the minister today so that he can go before the committee to reduce this amount in favour of small businesses so that, as the minister himself said, they may also sell on the export market and benefit from these loans guaranteed by the taxpayers's money.

If we do not manage to amend this law in this way, it will be detrimental to our Canadian businesses. It is useless to work and discuss and especially present laws that we say are made to favour small business when it is quite the opposite that happens. All I want and all I hope is that the minister will introduce these amendments himself before the committee and that he will make this law more accessible to small businesses so that they might at last reach the adult stage and not always die as teenagers.

Mr. Speaker, I hope the minister will make a note of these remarks. I am only hoping for one thing, but I hope the minister will grant our requests.

[*English*]

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

● (1520)

Mr. Speaker: I understand that there is some disposition among hon. members to call it four o'clock.

Mr. Drury: Mr. Speaker, it was hoped that we would proceed to the consideration of the amendment to the Canada Pension Plan, Bill C-22.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

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[*Translation*]

CANADA PENSION PLAN

AMENDMENTS TO DEFINITIONS AND PROVISIONS

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-22, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Does the House agree?

Some hon. Members: Agreed.

Veterans Land Act

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

[*English*]

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, may I say on behalf of the whole House that one of the reasons we agreed to the second reading of the Canada Pension Plan bill without debate is that we debated it fully last spring, and all parties are anxious to see it proceeded with as quickly as possible.

Mr. Speaker: Order, please. I think that is well understood. As the House is in such a co-operative mood, if we go on for a few more minutes like this we shall clean up the entire order paper. I understand hon. members are disposed to calling it four o'clock now and advancing the time of private members' hour. Before doing so I wish to return to a matter I mentioned this morning.

ROUTINE PROCEEDINGS

[*English*]

VETERANS LAND ACT

NOTICE OF MOTION REQUESTING REVIEW OF ACT

Mr. Speaker: I might say at this time, and perhaps House leaders might take note, that this morning I drew attention to the filing of the signatures of 25 members pursuant to the amendment to the Veterans Land Act. I had intended to go on to say that the provisions of that amendment would require, upon the filing of such notice, the setting of a time for debate not more than 15 days from the date of the filing. I did not go on to deal with that obligation placed on the Chair to set a date for debate 15 days hence, or within 15 days.

The understanding of the Chair was that House leaders would be in consultation with one another about arranging a schedule, and that they would make arrangements to accommodate the date which is required within the terms of that notice. If there is any difficulty in that regard the Chair can be consulted and would, if necessary, appoint the necessary day for the commencement of the debate.

I understand that there is a disposition in the House at this time to call it four o'clock, advance the commencement of private members' hour and finish it one hour hence, on the understanding that at 4.25 we will call it five o'clock and conclude proceedings of the day. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It being four o'clock the House will now proceed to private members' business as listed on the order paper, namely, Notices of Motions, Public Bills and Private Bills.

[Mr. Speaker.]

PRIVATE MEMBERS' MOTIONS

[*English*]

ENVIRONMENT

SUGGESTED INSTITUTE OF HUMAN ENVIRONMENTAL STUDIES

Hon. J. A. MacLean (Malpeque) moved:

That, in the opinion of this House, the government should consider setting up, in co-operation with the provinces, an Institute of Human Environmental Studies to determine, among other matters (*a*) the degree of air, soil, water and noise pollution the human species can tolerate without serious effects on physical and mental health (*b*) the type of environment which stimulates the most desirable qualities of physical and mental health in the human species (*c*) the type of national development which would give satisfactory environment to the greatest possible number of Canadians (*d*) the minimum of modifications to the present day indiscriminate and largely unplanned growth of our metropolitan areas necessary to put within reach of the inhabitants of these areas a quality of environment which would provide (i) adequate housing (ii) adequate recreational facilities, including parkland (iii) adequate social infra-structure, such as transportation, education, hospital and recreation facilities.

He said: Mr. Speaker, I have no illusions that what I am about to say will cause a sensation, or even that it will arouse interest, especially at this stage on Friday afternoon. However, I feel a strong urge to put forth my views on what I consider a question of vast importance to Canada even if nobody notices what I have to say, and even if mine turns out to be a lone voice crying in the wilderness.

I consider that, in the long run, the greatest tragedy that has happened to our country since World War II has been that most of our national growth has taken place in a few large centres, instead of being more evenly spread throughout the length and breadth of this great country. The tragedy has been deepened by the fact that most of this growth has been haphazard and irrational—growth for growth's sake—with no clearly defined objectives of benefit for this or future generations.

Almost three-quarters of our population now live in cities and towns. This is not necessarily bad, but it is forecast that by 1980 nearly two-thirds of all Canadians will live in 29 major urban communities, and one-third will live in Montreal, Toronto and Vancouver.

I am a countryman living in the countryside, representing a rural riding, and you may wonder, Mr. Speaker, why I should be concerned. I am concerned for two major reasons. I do not believe that the megalopolis is the environment in which the average person who makes up the mass of people has a reasonable prospect of attaining an acceptable quality of life. Nor is it an environment in which the average person can attain that measure of self-fulfilment and sense of purpose that is necessary for contentment and peace of mind. I think the present generation senses this.

● (1530)

I noticed a phenomenon in my constituency in Prince Edward Island where log cabins are being built on odd pieces of land here and there. Young people are going back to nature and living in the most primitive ways. These are not local people from nearby farms or communities. In almost every case they have come from Montreal, Toronto,

New York or Los Angeles. As a result of this phenomenon, my closest neighbour has come from Los Angeles.

It is at least arguable that it is a pity so many Canadians and future generations are condemned by fickle chance to be forced to live in the kind of environment created by the megalopolis.

As far as national growth is concerned, we as a nation have taken the course of least resistence. We have let our country, like Topsy, just grow. I am not against growth. I believe that the very essence of life at any level is planned, programmed, meaningful growth toward a known objective for a beneficial purpose. However, I do not believe in wild, malignant, open-ended growth like that of a cancerous cell—growth for growth's sake.

Some hon. Members: Hear, hear!

Mr. MacLean: Humanity has been on this planet for a long time. If we represent that span of time by one day, 24 hours, we will find that the first cities come into being at about five minutes to midnight. Therefore, in the whole development of humanity, cities have had a very short experience.

In the past cities have been the nurseries of civilization as we know it. However, most of the advantages of the early city—security, ease of communications and ease of transportation—are no longer valid. I think that perhaps modern technology has made the megalopolis as obsolete as the medieval castle was made by the development of the cannon.

We should also note that the record of all past civilizations has been that they collapsed when they became highly urbanized. We should try to determine if there is a cause and effect relationship here. It may be only coincidental, but there is reason to believe that one follows the other. In any event, since the development of the modern city is so new in our total experience it is dangerous to assume that the human race can evolve rapidly enough to adjust to the ever-accelerating rate of change in our environment caused by urbanization.

I believe we are not fully aware of all the effects overcrowding and stress have on human beings, either from a psychological or physiological point of view. There is statistical evidence in growing amounts which would seem to indicate that the megalopolis is not the most desirable or beneficial environment for the human being.

For example, the impact of crime seems to be highest in urban centres. Drug abuse follows the same trend. We seem to have the highest rate of emotional instability and poor health in urban centres, especially where they contain slums and poor housing. We have the recent phenomenon of riots, protests and urban guerillas. Indeed, it could be argued that civilizations of the past collapsed after they became over-urbanized.

The second reason for my concern is that the rampant growth of a few large centres is not only creating horrendous problems for them in such fields as housing, pollution, crime, health, the cost of living and so on, but is at the same time sapping the vitality of the rural and small town segment of Canadian life.

Some hon. Members: Hear, hear!

Mr. MacLean: The services needed by the population—government services, medical institutions, and educational institutions—are, I believe, being unnecessarily over-concentrated in our large urban centres. For example, I believe the federal government's services are over-concentrated in the capital region.

Urbanization on the scale presently taking place ignores the fact that man is part of the web of life. Very high concentrations of human beings give off pollutants, and in modern civilizations the amount of pollutants given off is larger per capita than it used to be. The amount of pollutants given off is so high and in such concentration that it cannot be assimilated or purified by the process of nature. The processes of nature are swamped in this regard. Water, soil and air pollution result, to say nothing of pollution by noise. Many of our unplanned, rapidly growing cities are, from an ecological point of view, festering sores on the face of mother earth.

I believe there is an optimum size for cities. I do not know what it is, but I have the notion that many of our larger Canadian cities have probably passed that size already. For a city to boast that it is the most rapidly growing community in the world is like someone saying he has the fastest growing cancer in town. It is not necessarily a good thing. We should be astute enough to realize that bigness is not synonymous with quality. The dinosaurs found that out, and they are now extinct.

Some of our cities are already collapsing under their own weight as far as financing and administration are concerned. The result is they have to be subsidized by provincial governments. Provincial governments in turn have to be subsidized by the federal government. The net result is that rural and small town Canada ends up subsidizing our largest urban centres.

I am a strong believer in the philosophy that an ounce of prevention is worth a pound of cure. We should not be proud of the large segment of our national wealth which we now deem it necessary to apply for cleaning up pollution and that sort of thing. It would have been much smarter to have taken preventive measures some years ago. That would have made this unnecessary.

If we do not take preventive measures now, the problems will become insoluble. The situation is extremely serious. The question is what to do about it. Can anything be done about it? We would be met immediately with the argument that it is not a federal responsibility. The cities and municipalities are a creation of the provinces. Of course there is a divided jurisdiction but I think this is an issue which has to be faced in the national interest before we can make any real progress toward the improvement of the urban environment.

● (1540)

In December, 1967, the prime minister of that day made the following suggestion:

> Before we can make any real progress toward an improvement in our urban environment we must first improve the planning of the environment. The need for such improved planning has already been widely recognized. To help meet this need I would like to propose the establishment jointly by the federal and provincial governments of a council on housing and urban development whose functions, generally, would be to gather and publish comprehensive, objective and regular assess-

ments of housing and urban development needs across the country and to suggest priorities of need and plans to meet them.

The federal government is prepared to participate at once in the establishment and maintenance of such a continuing council.

That was an excellent suggestion but, as far as I know, it died right there and nothing ever came of it. I believe there is growing evidence that the direction in which we are moving is bad. Can we do anything about it? Can we reverse the trend? I think we can. After all thousands, perhaps millions of people, migrate to the large cities not by choice but because of economic pressures. That is where the jobs are. Of course the question is: why are the jobs there?

I believe the jobs are there because industries decide to settle in or near the large population centres from their own selfish point of view—the profit motive; considering only the balance sheet. They have no responsibility for facing the many problems which are generated by their decision to locate in an overcrowded area. They do not need to worry about where employees are going to live, who will build roads for them to travel on or schools for their children to attend.

I believe that if a tax, even if it were only symbolic, were levied on such enterprises commensurate with the social problems they create their decisions would be different, and we would find these industries locating in a more dispersed fashion to the benefit of all Canadians. We might then be able to contemplate sensible, even growth throughout the country, something which would put the problems of pollution control, housing, education, medical care and all the other requisites for a good life within our capacity to meet.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, it is a particular pleasure for me to rise to take part in this discussion because I am a new member of parliament, and I am pleased to have had the opportunity to participate both in the debate on Address in Reply to the Speech from the Throne and even this early in other business of the House.

I am interested in the proposition put before us by the hon. member opposite. I think he shares the concerns felt by many Canadians, and I want to say to him that the majority of the concerns he put forward are those which I, too, share. I think the only question which I would raise is whether we really do need another institute, commission, or other type of bureaucracy to do this. In my opinion I think the concerns brought forward are being addressed and researched by the Ministry of the Environment, a ministry being led by a most capable minister, and I think those concerns are being well expressed both in the government and to the country.

Some hon. Members: Hear, hear!

Mr. Milne: I understand that the procedure followed during this hour is such that members can express personal points of view they may hold on the subjects brought before us. In that context, I would like to make two or three comments on the question of the environment, respecting its importance and some of the things which should be more or less obvious, although the environment cannot be the only thing about which we are terribly concerned.

I have some background in environmental matters—in fact I have done some studies in that area. I have practised some of the concepts that environmentalists raised a number of years ago, perhaps even before this was a very popular thing in which everybody wanted to be involved. So, Mr. Speaker, I think I have an appreciation of the overall view of how important the environment is to us.

If we fail to take note of how important the environment is, and fail to do some of the things we must do at this point, then our entire future, indeed, the very nature and shape of this country, will be greatly affected.

Certainly the government recognizes that fact. If it had not done so it would not have set up Environment Canada and, most important of all, it would not have made the announcement it made very recently to the effect that all major projects pertaining to the government would be subject to an environmental assessment before they could proceed. I think this is a proper procedure, bearing in mind that some of the projects in which we will be involved over the next few years will have very great environmental impact on the country. It is only right and just that a body which has some depth of knowledge should look at these projects purely from an environmental point of view.

I would like to raise two concerns which this subject brings to my mind. One is in the area of energy. I said, when making my maiden speech, that by the year 2,000 we will be using two and one half times as much energy as we are at the present time. That is a rather incredible fact when one stops to think about it. Frankly, very recently concern has been expressed as to whether we have the adequacy within Canada to meet some of the energy needs which will arise in such a short time—a period of perhaps another 25 years.

One of the things which I think is not fully appreciated is that, in the past, the environmental concern relating to energy has been in almost direct opposition to those who care very much about conservation and efficient utilization of energy. I say this because much of the environmental concern has led industry, which is a very large user of energy, to change from coal and crude oil to natural gas. In fact a large amount of the electricity used in Canada is generated by natural gas.

I think this was a logical decision for industries to make when they were faced with meeting environmental regulations. After all, natural gas is a commodity which is reasonably priced and which does meet environmental concerns. But in a country which has a lot of lower grade energy it does seem to raise the question of whether it would not have been better in certain instances to have tackled the environmental program head-on through the use of increased technology.

Would we not have been better to have used such energy sources as coal and heavy crude oil more effectively and thus not be so concerned at this point in time about whether we have an adequate supply of natural gas? I would remind the House that perhaps much of the energy concern, or crisis as it is called in the United States, was brought about by this very situation, the very fact that

much of its industry, including a great part of its electrical utility system changed its input of energy from coal and heavy crude to high grade energy such as natural gas.

With the scarcity which has developed they now experience a problem which it is difficult for them to overcome. We are very fortunate in this country, of course, to have an abundant supply of uranium. It seems to me that using uranium, and using it through the CANDU process, answers very well the two concerns at the same time, that is, the concern of the environmentalists and the conservation of energy, which is equally important.

I want to raise another question and that is the relationship of the environment in the large urban centres to the environment in the very fragile part of the north of this very large country.

● (1550)

When the debate on the Mackenzie valley pipe line comes before the House and the country, I think it will centre mainly on the aspect of environmental assessment and the impact that it will have. I remind everyone that it is difficult, unless we are really prepared to pay the price, to have it both ways. As a person who lives in an urban centre I can understand that we want a much better environment within our large and growing urban areas. But we must realize that in achieving this, it will have an impact on the environment in the far north. We must also understand that if we are to preserve the environment in the far north and keep it intact, we must perhaps be prepared not to have such a high quality environment in the urban centres. Perhaps the proper decision will be made, that we should have concern for both. But all Canadians will have to pay in order to honour both those commitments.

Another area of concern is the conservation of first-class, prime agricultural land. I seem to sense that many of the projects being thought about and evaluated at this point in time, such as utility power lines, highways, pipe lines and urban growth, are subject to environmental assessment. If one thinks about this, and about all the other aspects of environmental assessment, it leads one to the conclusion that the best place to locate many of these facilities would perhaps be on our best agricultural land, where the impact is least on the environment.

I think that this is the wrong approach. The best agricultural land that we have in this country is a very precious commodity, a commodity that should have at least equal consideration with environmental concern. After all, we have an expanding population to feed in Canada. I also think we have a moral responsibility to help feed the many millions of people in the world who need our agricultural products. The point that I want to make is that we must take a very balanced view in order to make sure that we look after both aspects.

I was interested to hear the hon. member opposite express concern for the environment within the large urban areas, which is a good point. I should like to see it extended to include concern for the health of Canadians. I was alarmed to read in the minister's recent publication that the cost of health care for Canadians has now reached something like 9.1 per cent of personal income, or over $300 for every man, woman and child in Canada. In the same publication the point is made that part of this is due to the environment in which we live.

Surprisingly, it is stated that nearly half of hospital bed time is given over to sicknesses due to stress, perhaps due to our life style in this highly urbanized society in which we live. Suicide is now the second most frequent cause of death among people aged 15 and 30. I guess I am repeating some of the arguments made by the hon. member opposite who related that over 90 per cent of all Canadians now live on less than 7 per cent of our land, while 80 per cent live in or close to large urban centres.

We must realize that we are living in times of stress, with much pressure on the family unit. In this regard we must make a serious assessment and determine its impact on the environment. We must fund and carry out studies that will tell us how big our urban centres should be allowed to grow, and how much the level of stress should be allowed to rise, so as not to reach the point where it becomes of concern to us all.

May I raise one other matter into which concern for the environment should be projected. It is a matter in which I am very interested, and about which not too much is known. I refer to labour-management negotiations. It would seem that on the surface the number of difficult settlements of labour-management disputes should be decreasing. After all, we have more affluence in this country perhaps than ever before. But really, Mr. Speaker, the opposite is true: we are having more difficult settlements, both in terms of finance and in terms of number.

It seems to me that most of this difficulty relates not so much to the financial aspect of a settlement as to the work environment, to the fact that we take an individual and put him in a situation where he is just plain bored, where he is dehumanized, and feels a total loss of identity. Such a worker feels he is not really participating in any area of creativity, whereas he was previously.

Our society is really to blame for that. We are fast becoming a society of big business, big government, big unions—just plain bigness. This is a very difficult thing for the individual to cope with, and I contend we should be doing some environmental studies within the industrial setting. We should study noise levels, colour, sense of accomplishment, creativity and that sort of thing which will affect productivity in this country, which will perhaps allow the individual to have a greater sense of accomplishment, and perhaps improve the physical and mental health of our workers.

Another matter which we should consider is uniformity of application of environmental regulations. It seems to me that we have a situation where Canadian companies are competing with each other, where some companies are faced with stringent environmental regulations and others are not. In fact, some companies are attracted to areas where there are lax environmental regulations, whereas other areas practise environmental concern very highly.

To this end, a few days ago I was pleased to note that the Minister of the Environment (Mrs. Sauvé) started to publish some national guidelines. These guidelines will be of great help, not only to the provinces and authorities that will administer them but to industry as well. If industry meets these guidelines then there will be some

degree of uniformity of environmental standards all across Canada.

In spite of concern in this country for the environment, I think we are very fortunate in Canada. We have a good degree of lead time compared with some other industrialized countries in the world. We can do something to preserve our environment so we will have a better future. I hope that a good deal of the spending by the Minister of the Environment, and by industry itself, will be directed toward environmental research.

It seems to me there is a clear role for the federal government. It should show leadership in conducting research into the environment and into hardware to help preserve the environment. The carrying out of this role is the single most effective way of getting industry, on a voluntary basis, to upgrade its environmental standards. I do not think it is being fair to be hard on industry when industry has very little confidence in the type of equipment that is available to preserve the environment.

Before my time is up I should like to say that no one more than myself appreciates the concern for the environment expressed by the hon. member opposite. We need to work very diligently on improving our technology and giving leadership to industry. We should move away somewhat from the focus of the past, where we dealt essentially with air and water, and look more at the human side—job satisfaction, the health of Canadians, and improvement of our national productivity. We must concern ourselves about solid waste and other matters. We must seek a balanced solution to our environmental problems since there are other problems of equal importance.

● (1600)

I conclude by saying that the matter raised by the hon. member is of concern. That concern is shared by everyone in this House. I should just like to put the proposition to him that all these matters are being very adequately analysed by the Minister of the Environment at this time.

Mr. Cyril Symes (Sault Ste. Marie): This afternoon we are discussing a motion by the hon. member for Malpeque (Mr. MacLean) to set up an institute of human environmental studies to explore and make recommendations in respect of various aspects of pollution of the environment. In reading over the motion I see that it is rather detailed, involving many areas, and contains considerable merit.

I think environmental pollution is a subject about which everyone has an opinion. Very much like motherhood, everyone is in favour of protecting the environment, but when it comes to proposing practical solutions and, more important, when we in the government are asked to do something about it, the history of protection of the environment in this country is indeed sad.

When we talk about the environment we must not forget the world situation. We must look at Canada in context with world environment. We see a pretty frightening situation on a world scale. The real problem in respect t o pollution and preserving the environment boils down to our basic concept of a belief in growth. If we analyse the individual attitude in Canada, and the Canadian government attitude, we must conclude that for sometime we have accepted the concept that growth per se is good, and we have ended up with a situation in which it seems we are headed on a collision course as far as the environment is concerned.

Looking at the world scale, because we are not an island unto ourselves and will be affected by what is happening to the world environment, we find that the human population on this planet is growing by about 70 million people per year, demanding more food, water, fuel and so on. We have a responsibility in the world community, especially in these days when we see the spectre of starvation in Africa and South America, to help our fellow world citizens.

Yet when we look at our own country and our attitude toward consumption I am afraid we can be indicted as being some of the worst gluttons as far as resources are concerned. For example, if we were to extend the living standard in this country on a world scale, the demand on the resources of this planet would be astronomical. If we were to project Canada's standards worldwide, by the year 2000 the world would need about 1,300 per cent more aluminum, 900 per cent more copper, and 700 per cent more iron than we now consume. Yet when we look at world deposits of precious fuel minerals, coal for example, we find that we only have projections for three to four centuries, and for petroleum and natural gas projected reserves for only the next 70 or 80 years.

Some say we can turn to nuclear power, but here we encounter the problem of storing radio active material, and problems again of pollution. The people of Pickering are worried at the moment about the whole business of cooling the nuclear plant there, resulting in hot pollution in our water system.

In May, 1969, the United Nations pointed out that because of our lack of concern about the environment, already on this planet 1¼ billion acres of arable land have been lost to mankind through mismanagement. The reliance of modern technology on the combustion of fossil fuels has brought a 10 per cent increase in atmospheric carbon dioxide over the past century, and this could rise to 25 per cent by the end of this century. In North America alone automobiles account for 60 per cent of the air pollution of the continent. Yet how many of us are not so endeared to the automobile that we would try other forms of urban transportation in order to lessen this pollution, or pressure industry to go ahead full speed on anti-pollution devices for automobiles?

What I am saying is that we must be concerned with world environment rather than just looking inward, being concerned just with the environment in Canada. When we look at our environment we do not see a very encouraging record. It is all fine and good to set up an institute to carry out additional studies on the environmental situation, but if existing provincial and federal governments had applied the law that is already on the books with some vigour, we would be a long way down the road in cleaning up the environment.

The trouble has been not only a lack of will among provincial and federal governments to get serious about anti-pollution legislation, but there has also been a lack of coordination between the two levels of government. We have many overlapping and competing agencies, and because we have different provincial standards of pollu-

tion controls industry plays one province off against another, saying it will not locate in a certain province because its anti-pollution laws are too strict, but will move elsewhere. It is important that we have national pollution standards. This can only be attained by vigorous action on the part of the federal government, and I am sorry to say that this has been lacking to this day.

Canada has additional problems in respect to our international boundary. In my constituency, which borders on the Great Lakes, there has been real difficulty in getting co-operation between American states, the U.S. federal government, the province of Ontario and our federal government in order to clean up the Great Lakes. Already Lake Superior is endangered by the deposit of asbestos fibres or taconite tailings near Duluth, Minnesota. It seems to me we just cannot rely on the federal government to look for national standards in this country. There has to be active co-operation with the United States.

Why have we not been more serious in this country in grappling with the problem of pollution? In addition to a lack of coordination I am afraid that politicians and many Canadians have accepted the propaganda of many offending industries, that to adopt strong pollution, control would mean the closing down of plants with ultimate unemployment. This myth should be put to rest once and for all.

For example, in the Unites States the federal government carried out a very comprehensive survey to discover the effects of a strong pollution control system on the unemployment rate. The finding was that only .05 per cent of the total working force would be affected by tough anti-pollution measures against industry, and that this low rate of unemployment could certainly be offset by creative anti-pollution employment programs for those people who may be thrown out of work because of the closing of some very antiquated and badly run industrial plants.

● (1610)

For example, Mr. Speaker, there is a great need in this country to upgrade and build new sewage treatment facilities at the municipal level. We could employ thousands of Canadians in our labour force to do a very worthwhile and significant job of dealing with that one problem of pollution. I am afraid that all too often Liberal and Conservative governments have bowed to the pressures of some of the large corporations and business concerns in this country when it came to proposing tough anti pollution legislation.

I remember very vividly the Conservative government of Ontario, when it was first elected in 1971, saying that it was going to bring in tough laws against disposable bottles, but here we are in 1974 still awaiting some kind of significant legislation dealing with that problem.

In the few minutes that remain I should like to propose some solutions. I think it is important that what we say here today be considered seriously by the Minister of the Environment. First of all, to do something significant about pollution control we need national standards for environmental quality, and these standards must be set for air, water and land. But the point is that they should be set based on the biology of the environment and not on what is technologically possible.

Besides having standards we must become serious about the penalties that we impose for the violation of these standards. How laughable it is when a large corporation is fined $200 for violating some anti pollution law. It spends more than that on paper clips in a year. How Corporations must laugh at our seriousness in tackling the problem of pollution when our penalties are so minimal!

The second thing I would propose is that the cost of pollution control be met either directly by the offending party, or by a subsidy provided by the government. In the case of a subsidy, it should certainly be made public for our scrutiny. I think we should also have the government institute low cost loans to municipalities and some industries for sewage treatment plants and plant clean ups. This is vital. Also, as I mentioned earlier, non-recyclable throw away consumer products should be phased out by law.

I also think that the Department of the Environment should co-ordinate and enforce all environmental control legislation. The department should be given the task of scrutinizing all activities in the country for their potential environmental impact. But if we are serious about the problem of growth and how it contributes to the ruining of the environment and to pollution, we must embark on a program of conservation, especially of our non renewable resources.

Fossil fuels and scarce minerals should be conserved. Near my riding of Sault Ste. Marie is the riding of Sudbury, and there is situated the great International Nickel Mine. I have seen projections which show that with the high rate of exploiting the nickel at that mine right now the mine's life is only some 30 to 35 years. Many minerals should be recycled rather than just dumped. To this end we need research to develop a comprehensive policy of recycling.

Our energy demands must be reduced. The Minister of Energy, Mines and Resources (Mr. Macdonald) is talking about conserving energy in this country. I would like to see a really forceful program, not just tokenism such as turning off the lights around Parliament Hill.

I think that resource developers must also assess the potential effects of their projects on the environment before undertaking them. We have learnt to our dismay what has happened to the Mackenzie River delta because of the Bennett dam in British Columbia. No surveys were carried out prior to that construction, and the federal government stands condemned in the eyes of the Canadian people for the whole process of the development of James Bay and the lack of prior environmental studies there. I fear that within the next couple of years the whole issue of the Mackenzie Valley gas pipeline will be rammed down our throats without proper environmental studies being done first.

We should also set aside ecological reserves in the wilderness to prevent the total disappearance of many of our species of animals in this country. We should also undertake research of all Arctic environmental problems, and also in regard to population and the problems of growth there. Canada could take a leading role to initiate, through the United Nations, an international conference to pro-

mote the stabilization of the earth's population. We must conduct research into human settlement problems, particularly those of the urban areas, to prevent overcrowding and the megalopolises that have plagued so many people in the over-industrialized areas of the world.

I commend the hon. member for Malpeque for his attempt to bring to the attention of the government the seriousness of the problem of pollution in this country and the need to protect the environment. It seems to me that we must no longer be content to measure progress by industrial growth or the gross national product because short term gain often brings long term damage.

[*Translation*]

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, the points mentioned by the hon. member for Malpeque (Mr. MacLean), and enlarged upon in his speech this afternoon, are certainly of those which seriously concern Canadians.

Though public attention is concentrated mostly at this time on such extremely important matters as inflation, energy supplies, food products, on a national and international basis, it is imperative that factors related to the environment not be neglected in the overall steps to be taken in achieving our society of tomorrow. As I shall explain briefly, those factors are now the subject of serious and imaginative attention on the part of the government.

The extent of the problems referred to in the motion of the hon. member for Malpeque indicates the complexity of the points he made. Social, economic and scientific factors must be considered together if we are to determine what constitutes a satisfactory environment. There is no simple or magic formula to tell us exactly what a satisfactory environment is. Mr. Speaker, all one has to do is glance back at the last two decades to see what today's citizens want in the line of housing, transportation, education, health care and leisure, and to realize that we have come a long way beyond the public opinion of barely a few years ago. And what the public will be calling for tomorrow will still be very different.

There is also a new concern, that of seeing the economic development adjusted to the cost of environment. Those costs are more readily accepted as part of the normal costs of economic development. What will be the conditions in some twenty years?

Finally, it is important to know better what effects environmental pollution has on health. The matter is related to the scientific field and consequently it is not liable to change. However, once the basic facts are known, some social pressures could demand periodical changes in the control standards which are the result of such knowledge. In addition, as the scientific methodology is improving, new discoveries can lead to different conclusions about the consequences of environmental pollution on the human and ecologic systems.

Much work is under way in those various fields not only in Canada but also in other countries and performed as well by international organizations.

In Canada, a number of specific steps have been taken in this area. Mr. Speaker, I think it is useful to refer, as a starting point, to the government's decision establishing

the Department of Environment and the Ministry of State for Urban Affairs, which is now under the very able leadership of the new Minister of State for Urban Affairs (Mr. Danson). On the one hand, the former has been designed as an operating department with specific responsibilities in the extension and review of measures relating to air, water, soil, fisheries, forests and wildlife. On the other, the latter has been set up as a kind of policy architect in an area generally considered as provincial in jurisdiction.

A good number of other federal departments and agencies retained responsibilities over environment, but the Department of Environment has been given the mandate to coordinate all federal activities relating to environment. A positive effort has been made in this area to ensure a more effective coordination between the various departments and generally speaking, Mr. Speaker, this measure has been useful. This is mostly the result of a series of mechanisms and the good will of the people involved in the environment problem.

As to the particular questions mentioned in the motion introduced by the hon. member for Malpèque, among the activities most directly related to the federal government are those of the National Research Council Joint Committee which is investigating the scientific criteria regulating the quality of the environment. This committee is made up of experts from government, industries and universities. Its aim is to collect and evaluate scientific information throughout the world concerning the effects of pollutants on living organisms and human beings. Such assessments constitute a solid basis for institutions like the Department of the Environment when controls are required.

That department has also come up with a process permitting it to review and evaluate environmental protection. It has been conceived so as to make sure that federal activities in the environmental field be scrutinized as to their probable impact on environment before being given approval.

● (1620)

Mr. Speaker, the speech I had intended to deliver was much longer. It would have been of special interest to those who are not familiar with Boileau's language, because they could have heard the latter part of it in the language of Shakespeare.

Mr. Deputy Speaker: Order. I would invite the hon. member to resume his seat. I regret to have to interrupt him, but the time provided for the consideration of private members' business has expired.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, on a point of order I wonder if the acting government House leader or the whip could confirm that the business on Monday will not be changed but will continue as scheduled?

Mr. Lefebvre: Mr. Speaker, as far as I know the hon. member is correct. We will follow the business as

announced by the President of the Privy Council (Mr. Sharp), the government House leader, on Wednesday of this week.

Mr. Knowles (Winnipeg North Centre): We have done most of it.

Mr. Deputy Speaker: Order, please. Pursuant to order made this day this House stands adjourned until Monday next at two o'clock.

At 4.25 p.m. the House adjourned, without question put, pursuant to Standing Order.

28305—35½

HOUSE OF COMMONS

Monday, October 21, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

THE LATE J. G. MacKAY

TRIBUTES TO DECEASED LIEUTENANT GOVERNOR OF PRINCE EDWARD ISLAND

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I regret to have to inform the House of the death of the Lieutenant Governor of Prince Edward Island, the Hon. J. G. MacKay.

Mr. MacKay had been Lieutenant Governor of Prince Edward Island for just over five years, having been sworn to that office on October 6, 1969. He had been looking forward to release from his responsibilities early in the new year and it is particularly sad that he should not have been able to enjoy the well-earned retirement for which he was undoubtedly planning.

Mr. MacKay had been active in the life and public affairs of Prince Edward Island for many years. He was first elected, by acclamation, to the Legislative Assembly of the province in 1949. He was re-elected four times thereafter. He entered the cabinet of the province as minister without portfolio in 1952 and was minister of public works and highways from 1955 to 1959. In many roles he rendered a distinguished service to the life of the province and the community in which he lived. I am sure all hon. members would wish that the sympathy of this House be extended through you, Mr. Speaker, to Mrs. MacKay and the members of her family.

Hon. members who were here in 1966 at the time of the death of the Hon. Paul Comtois, then Lieutenant Governor of Quebec, may recall that the death of a lieutenant governor in office presents a constitutional problem. There is no provision in the British North America Act under which an administrator may act during a vacancy in the office of lieutenant governor. To permit the operations of government to proceed, it will be necessary to advance the appointment that had been planned for the retirement of Mr. MacKay from his office. I mention this so that members of the House and the public may understand the reasons for what might otherwise appear to be unseemly haste in filling the office that has been left vacant so suddenly.

● (1410)

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I am sure I speak for all four members of parliament from Prince Edward Island when I say that we were all very saddened to learn of the passing of the much beloved representative of the Queen in our province. In this post, as in his many positions of responsibility throughout a long and exemplary life, his record is one of cheerful and untiring service.

The late J. George MacKay was a life-long resident of my constituency. I express my sympathy to his many friends and neighbours, whom I have the honour to represent. On their behalf, and on behalf of all Prince Edward Islanders, I wish to extend to his widow and family and to his executive council, our sincere sympathy in their great loss.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, on behalf of the New Democratic Party members of parliament, I wish to join in extending our sympathy to Mrs. MacKay and her family on this sad occasion.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, most willingly I make mine the eulogy just voiced by the President of the Privy Council (Mr. Sharp), who informed us of the untimely death of the Lieutenant Governor of Prince Edward Island. Very briefly his life can thus be summed up: his lamp has burnt out. He is beginning to see his Creator. I am convinced that he has believed and that now he sees everlastingly.

* * *

[*English*]

CLEAN WATER ACT

MEASURE RELATING TO THE CONTROL AND MANAGEMENT OF WATER RESOURCES OF CANADA

Mr. John Reynolds (Burnaby-Richmond-Delta) moved for leave to introduce Bill C-359, relating to the control and management of the water resources of Canada.

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

* * *

ANIMAL CONTAGIOUS DISEASES ACT

AMENDMENT TO EXTEND THE APPLICATION OF THE ACT

Hon. Mitchell Sharp (for the Minister of Agriculture) moved for leave to introduce Bill C-28, to amend the Animal Contagious Diseases Act.

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

Order Paper Questions

[*Translation*]

CANADA BUSINESS CORPORATIONS ACT

MEASURE TO PROVIDE FOR APPOINTMENT OF DIRECTOR, DEPUTY DIRECTOR AND FOR ADMINISTRATION OF MEASURE

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-29, respecting Canadian business corporations.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

PUBLICATION ENTITLED CANADA'S NEW CAPITAL—LA NOUVELLE CAPITALE DU CANADA

Question No. 29—**Mr. Cossitt:**

1. What is the name and job designation of the specific individual who authorized publication of the booklet *Canada's New Capital—La Nouvelle Capitale du Canada?*

2. How many copies of this booklet were printed and what was the total cost?

3. What is the specific name, job designation and salary of the individual, or individuals if more than one, who wrote the material appearing on page one of this booklet that states in effect that Ottawa is no longer the capital of Canada and what is the specific identity of the government official approving publication of such statements?

4. Have all copies of this booklet been recalled and destroyed and, if not, for what reason?

5. Is it now planned to print a further booklet making clear that Ottawa is still the capital of Canada and, if not, for what reason?

Hon. Barney Danson (Minister of State for Urban Affairs): I am informed by the National Capital Commission as follows: 1 and 3. All publications of the National Capital Commission are published under the responsibility of the Chairman of the Commission.

2. 20,000 copies at an estimated gross cost of $18,000.

4. It has not been thought necessary to recall any.

5. No. A reading of the complete publication makes it clear that there is no conflict with the provisions of Section 16 of the BNA Act which states that: "until the Sovereign otherwise directs the Seat of Government in Canada shall be Ottawa".

● (0000)

GOVERNMENT SUBSIDIZATION TO CANADIAN CONSUMER COUNCIL

Question No. 93—**Mr. Allard:**

Does the government subsidize the Canadian Council on Consumerism and, if so (a) for how many years (b) through what department (c) what amounts were granted in 1971, 1972 and 1973 (d) did the government make a grant as capital for the Council at the time it was created or at some later stage of its development?

[Mr. Sharp.]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): The government provides funds, not a subsidy to the Canadian Consumer Council, an advisory council appointed by Order-in-Council to advise the Minister of Consumer and Corporate Affairs pursuant to section 7 of the Consumer and Corporate Affairs Act. (a) Funds have been provided for six years; (b) Department of Consumer and Corporate Affairs; (c) Expenditures were: 1971-72, $99,000; 1972-73, $154,000; 1973-74, $84,610; (d) No, the government did not make a grant as capital; it provided funds to meet its operating expenses through the usual budgetary procedures.

NOTE: The name in English is Canadian Consumer Council.

PUBLIC SERVICE COMMISSION PERSONNEL SENT ON COURSES DURING 1970

Question No. 118—**Mr. Herbert:**

1. What were the names, positions and salary ranges of persons in the Public Service Commission who were sent on full time courses of a duration of more than one year during 1970?

2. What were the purposes and anticipated lengths of such courses?

3. What were the additional costs of such courses over and above the salaries of the individuals concerned?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. No employees of the Public Service Commission were sent on full time courses of a duration of more than one year during 1970.

2. Not applicable.

3. Not applicable.

PUBLIC SERVICE COMMISSION PERSONNEL SENT ON COURSES DURING 1971

Question No. 119—**Mr. Herbert:**

1. What were the names, positions and salary ranges of persons in the Public Service Commission who were sent on full time courses of a duration of more than one year during 1971?

2. What were the purposes and anticipated lengths of such courses?

3. What were the additional costs of such courses over and above the salaries of the individuals concerned?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. No employees of the Public Service Commission were sent on full time courses of a duration of more than one year during 1971.

2. Not applicable.

3. Not applicable.

PUBLIC SERVICE COMMISSION PERSONNEL SENT ON COURSES DURING 1972

Question No. 120—**Mr. Herbert:**

1. What were the names, positions and salary ranges of persons in the Public Service Commission who were sent on full time courses of a duration of more than one year during 1972?

2. What were the purposes and anticipated lengths of such courses?

3. What were the additional costs of such courses over and above the salaries of the individuals concerned?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. Michel Desjardins, Executive Assistant to the Chairman, salary range of $16,650-$19,919.

2. A 16 month course leading to a Master's Degree in Public Administration at L'École Nationale d'administration publique in Quebec City.

3. Registration, School fees and other expenses, $817.50; Removal expenses, $1,164.93; Travelling and Transportation expenses, $4,083.40.

• 0000

PUBLIC SERVANTS—T4 SLIPS SHOWING GROSS REMUNERATION IN EXCESS OF $20,000-40,000, 1973

Question No. 137—Mr. Herbert:

How many public servants in the Department of Supply and Services and the Receiver General for Canada received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) 457; (b) 17; (c) 3.

SPECIES OF WILDLIFE KILLED IN NATIONAL PARKS AS A RESULT OF WINTER, 1973-74

Question No. 158—Mr. Clark (Rocky Mountain):

How many, and what species of, wild animals were killed by (a) trains (b) automobiles (c) aircraft (d) fatigue as a result of deep snow (e) other non-natural causes in the winter of 1973-74 in (i) Jasper National Park (ii) Banff National Park (iii) Waterton National Park (iv) Yoho National Park?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

	(a)	(b)	(c)	(d)	(e)
(i) Jasper National Park					
Grizzly bear	1	1	—	—	1
Black bear	—	3	—	—	5
Beaver	1	1	—	—	—
Coyote	1	3	—	—	1
Mule Deer	11	26	—	12	4
Whitetail deer	—	1	—	—	—
Elk	32	28	—	20	6
Fox	—	1	—	—	—
Goat	—	—	—	—	2
Golden Eagle	1	—	—	—	—
Moose	9	10	—	10	8
Muskrat	1	—	—	—	—
Bighorn Sheep	21	15	—	5	5
Wolf	1	—	—	—	—
(ii) Banff National Park					
Coyote	—	4	—	—	—
Mule Deer	—	5	—	—	—
Elk	29	15	—	—	—
Moose	5	3	—	—	—
Sheep	—	6	—	—	—
(iii) Waterton Lakes National Park					
Black Bear	—	1	—	—	1
Mule Deer	—	7	—	50	1
Whitetail Deer	—	1	—	5	1
Elk	—	—	—	30	7
Moose	—	—	—	—	1
Bighorn Sheep	—	—	—	20	—
(iv) Yoho National Park					
Elk	7	5	—	—	3
Deer	4	6	—	—	—
Moose	2	—	—	—	—

LEGISLATION TO PREVENT LOSS OF WOMENS' CITIZENSHIP THROUGH MARRIAGE

Question No. 161—Mr. Herbert:

Will legislation be introduced to correct the injustice that a woman loses her Canadian citizenship if she marries in Canada a citizen of another country yet a man would not lose his citizenship in similar circumstances?

Hon. James Hugh Faulkner (Secretary of State): A woman who marries in Canada a citizen of another country does not lose her Canadian citizenship.

FEDERAL COURT ACT—SECTION 41(2)

Question No. 163—Mr. Fairweather:

Since the Federal Court Act was assented to on December 3, 1970, how many certificates have been issued in each of the categories specified in Clause 41 (2) as being injurious to international relations, national defence or security, or to federal-provincial relations or that it would disclose a confidence of the Queen's Privy Council of Canada?

Hon. Otto E. Lang (Minister of Justice): One, in category of international relations and national security.

• (0000)

NUMBER OF TEACHERS EMPLOYED BY INDIAN AFFAIRS BRANCH

Question No. 179—Mr. Orlikow:

1. How many teachers were employed by the Indian Affairs Branch of the Department of Indian Affairs and Northern Development in the year 1971-72?

2. Of this number, how many of the teachers were in the classification of (a) teacher aide or unqualified teacher who had no professional teacher training (b) the sub-level who had only Junior Matriculation education and one year of teacher education (c) level 1 who had Senior Matriculation and one year of teacher education (d) level 2 who had Senior Matriculation and two years of teacher education (e) level 3 who had Senior Matriculation and three years of teacher education (f) level 4 who had Senior Matriculation and four years of teacher education (g) level 5 who had Senior Matriculation and five years of teacher education (h) level 6 who had Senior Matriculation and six years of teacher education?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. 1673

2. (a) 176; (b) 51; (c) 413; (d) 354; (e) 213; (f) 304; (g) 108; (h) 54.

Oral Questions

TRANSFER OF STE. ANNE DE BELLEVUE MILITARY HOSPITAL TO PROVINCIAL CONTROL

Question No. 200—**Mr. Herbert:**

Do any uncertainties and resulting morale problems exist at Ste. Anne de Bellevue Military Hospital deriving from the contemplated transfer of the hospital to provincial control and, if so, can the Minister of Veterans Affairs advise the status of any discussions taking place with the provincial government, the estimated date of transfer and what measures, if any, will be taken to protect the security, seniority and salary of the employee?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Meetings held to date with the government of the Province of Quebec regarding possible transfer of the Ste. Anne de Bellevue Hospital have been exploratory and preliminary, and no firm arrangements have been made on any point. The hospital staff is being kept fully informed and has been assured that if transfer should be negotiated, all regular employees would have security of employment with the new management, and that none would suffer any reduction in salary or any shrinkage of total benefits at the time of transfer.

● (0000)

ESTABLISHMENT OF CANADIAN MERCHANT MARINE

Question No. 227—**Mr. Howie:**

1. Has any study been made or consideration given to the establishment of a Canadian Merchant Marine?

2. What are the benefits of such a service to Canadian exporters, importers, potential employees on vessels and shipbuilding companies and employees?

3. What are the estimated capital costs of such a service in the initial stage of development?

Hon. Jean Marchand (Minister of Transport): 1. A study is being made by the Ministry of Transport of all aspects of a possible international shipping policy for Canada. This includes examination of the possibility of establishing a Canadian Deep Sea Merchant Marine.

2. Until such time as the study is completed and reviewed, it is not possible to evaluate the benefits of such a service.

3. These cannot be estimated at this time.

ORAL QUESTIONS

[*English*]

STORMS

ATLANTIC PROVINCES—EMERGENCY MEASURES TO ENSURE SAFETY OF RESIDENTS—COMPENSATION FROM FEDERAL GOVERNMENT

Hon. Robert L. Stanfield (Leader of the Opposition): A question to the Acting Prime Minister who is, I am sure, very aware of the violent storm which hit Nova Scotia over the weekend. Has the federal government taken any special measures to aid the people of the province who have suffered damage or who are threatened with damage as a result of the storm?

[Mrs. Campagnolo.]

Hon. Mitchell Sharp (Acting Prime Minister): The minister from Prince Edward Island and some of the other ministers have been held up as a result of this storm. We are awaiting their return before considering the question just raised by the Leader of the Opposition. In any event, we have not yet received any request for help from the government of Prince Edward Island.

Mr. Stanfield: I am always anxious to see the people of Prince Edward Island helped as well, but my question related to the people of Nova Scotia.

Mr. Muir: There is a more important island down there—Cape Breton.

Mr. Stanfield: I should like to ask the Acting Prime Minister whether he has taken any steps to inform himself as to the dangers the storm has created for the people of Nova Scotia and, also, whether there have been any preliminary discussions originating with the government of Nova Scotia with regard to financial relief for those who have been injured or who will be injured.

Mr. Sharp: Before I ask the Parliamentary Secretary to the Minister of Finance to deal with the question the hon. gentleman has just asked, perhaps I should apologize—I was thinking about the minister from Prince Edward Island. He will be reporting on conditions in the Maritime provinces generally. We have not as yet received any requests from the other governments.

Mr. Muir: There is a minister from Cape Breton, too.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Yes, Mr. Speaker. The national emergency planning establishment is keeping the federal government advised of the situation almost on an hourly basis. It is anticipated that the provinces affected may seek financial assistance and if they do there are established procedures laid down. The Leader of the Opposition mentioned Nova Scotia. The base figure for that province is $800,000 and guidelines are laid down for sharing over and above that figure. The items in respect of which compensation can be paid are spelled out fairly clearly.

Mr. Robert C. Coates (Cumberland-Colchester North): Can the parliamentary secretary tell us whether there is any present danger to residents of particular communities in Nova Scotia? For instance, in Cumberland County to the best of my knowledge supplies of electricity have been cut off for close to 24 hours and indications are that electricity will not be restored for at least another 24 hours. Water supplies have been cut off for Springhill and Amherst and there is real concern for the ability of people to maintain themselves in present circumstances. What emergency steps are being taken to ensure the safety and wellbeing of these residents?

Mr. Cullen: Well, first, with respect to institutions, it was felt there was no requirement to evacuate major institutions due to the storm. Communication is being maintained wherever possible. I might say that in addition to reports which have already appeared in the press about one farmer being killed when a barn collapsed, we have reports of five deaths, including those of four fishermen who are presumed drowned. Both the federal and the

provincial governments are on top of this situation and endeavouring to take care of the type of emergency to which the hon. member has referred.

Mr. Robert Muir (Cape Breton-The Sydneys): May I address a question to the Acting Prime Minister based on the fact that Cape Breton Island bore the brunt of this storm with the result that many families are now without homes and are being housed in high schools and elsewhere? Is there an arrangement whereby on the site examination can take place by federal officials, in co-operation with the provincial authorities, to ascertain whether much needed financial assistance can be provided as quickly as possible, so it will not be a period of months before assistance is given?

● (1420)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the Parliamentary Secretary to the Minister of Finance has pointed out, there is a formula under which the federal government comes to the aid of communities where the cost is in excess of a certain amount for each province. I can assure the House that so far as the federal government is concerned we will act as promptly as possible, having in mind the primary responsibility of the province.

* * *

CONSUMER AFFAIRS

SUGGESTED MISLEADING ADVERTISING BY UNITED AIRCRAFT—REQUEST FOR INVESTIGATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In Saturday's Ottawa *Citizen* there is an advertisement by United Aircraft Corporation, which also appeared in other newspapers across Canada on the same date, in which the corporation stated that it has received some $70 million in aid from the Canadian government. That is stated in the opening sentence of the second paragraph. In the immediately following sentence the advertisement states that "most of our federal contracts call for us to make repayments to the government".

In view of the fact that the $70 million funds referred to are exclusively grants, and in view of the statement by the Minister of Industry, Trade and Commerce before a committee last Tuesday in which he referred to the same sums of money as being grants, not loans, would the minister investigate the ad that I have just referred to for misleading advertising purposes?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think it is a matter of interpretation. I do not object to asking my officers to ascertain whether there is a violation in this case.

[*English*]

INCOME TAX

ALLEGED MISLEADING ADVERTISING BY UNITED AIRCRAFT—DEDUCTIBILITY OF COST FOR TAX PURPOSES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in the absence of the Minister of Finance I have a supplementary question for the Acting Prime Minister. Would the Acting Prime Minister inform the House whether or not this kind of advertising, essentially political in nature, is a deductible tax item for this corporation—that is to say, that it is paid for by the people of Canada? If that is the case, would the government take steps to change the tax law of Canada in this respect?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will see that this question is brought to the attention of the Minister of National Revenue who is responsible for the administration of the tax laws.

* * *

[*Translation*]

COMMUNICATIONS

EFFECT OF STRIKE AT QUEBEC TELEPHONE COMPANY—GOVERNMENT POSITION

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

Since the Quebec Telephone labour conflict is already many weeks old and consequently slowing down the economy of eastern Quebec, which is already faced with a very high rate of unemployment, and considering that this company is now under the wing of an American company, can the minister tell the House whether he has spoken with the Quebec Ministers of Communications and Labour with a view to finding an equitable solution and putting an end to the conflict as soon as possible?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I recognize with the hon. member that the situation is very distressing for an area which does not need special difficulties in view of its permanent economic problems. However, the hon. member must be aware that the company falls under provincial jurisdiction, not only where labour relations are concerned but also from the point of view of telephony.

I have had no contacts with my opposite number in Quebec, nor with the Quebec Minister of Labour, but I am sure if they felt our Department of Communications could be of any help to them we would be only too happy to assist them in their efforts towards a solution to the conflict.

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs.

In view of the seriousness of the situation, would the minister indicate whether he is prepared to order an inquiry into the dealings of the multinational General Telephone and Electronics Company, which controls Quebec Telephone, in order to throw more light for the public on

the real causes of that deplorable conflict and solve it as soon as possible?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will look into the question.

* * *

[*English*]

SPORTS

MONTREAL OLYMPICS, 1976—AMOUNT OF REVENUE ANTICIPATED FROM SALE OF COINS—PAYMENT OF COMMISSION OR DISCOUNT

Mr. Speaker: Order, please. The Postmaster General has given the Chair an indication of his intention to reply to a question which was asked one day last week.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the hon. member for York-Simcoe asked a series of questions about olympic coins, one of which I believe was based on an interim report I tabled pointing out the anticipated sales in the amount of $644 million under this project. The hon. gentleman is accurate in stating that the law limits the face value of coins sold to $450 million. The difference between the $450 million and $644 million can be attributed to the increased demand or unexpected demand for premium sets, including the packaging, and the fact that most are being sold at a premium rather than at face value.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should like to ask the minister to elaborate in two respects. First of all, he gave an explanation as to the difference between the $600 million some odd figure and the $450 million face value. I should like him to relate that to the report that is already in hand which indicates there is only a 5 per cent premium mark-up on the coins sold to March 31 of this year compared with a 43 per cent mark-up in the projected figures. The second and most interesting point on which I should like him to comment is this, has he in fact satisfied himself that there has been no commission, discount or other advantage paid by COJO or anybody else in respect of the sale of the coinage to the distributors?

Mr. Mackasey: Mr. Speaker, COJO has nothing to do with this program. I can assure the House that there is absolutely no distributor, no outlet, no chartered bank and no individual who is able to obtain olympic coins at any discount whatever from face value. The private distributors, the people around the world who specialize in coins, do get a discount between the selling price and the $5 value coin. For instance, they may be sold at $7.50, so the price would be somewhere between $5 and $7.50. Under no circumstances are we permitted to give a discount on the $5 face value and respect the law. I assure the House and the hon. gentleman that the brokerage price or discount firms are permitted relates to their share of the premium rather than any discount on face value.

[Mr. Lambert (Bellechasse).]

FINANCE

INSTRUCTIONS TO COMMERCIAL BANKS CONCERNING OPERATIONS IN EUROPEAN COMMON MARKET

Mr. James Gillies (Don Valley): Mr. Speaker, I should like to direct my question to the Acting Prime Minister in the absence of the Minister of Finance. Given the fact that it is generally recognized that one of the most important factors in international inflation is the operation of the European Common Market, what instructions are given to Canadian commercial banks through the Bank of Canada and the department about plans for operating in that market?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will take that question as notice and ask my colleague the Minister of Finance to answer it as soon as he returns.

* * *

ENERGY

OIL—GOVERNMENT INTENTIONS CONCERNING EXPORT TAX—POSSIBLE LOSS OF UNITED STATES MARKET

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, in view of the recent cutbacks in United States demands for Canadian oil due to our oil becoming increasingly less competitive in the United States market, and in view of the expected appearance on the United States market in the near future of newly discovered oil from Mexico, is it the intention of the government to continue export taxes on Canadian oil at the present level?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member may be aware that the government indicated it would be prepared, at least in relation to heavy oil, to exercise the remission procedure under the Financial Administration Act, commencing on November 1, for the remission of some of the taxes paid on heavy oil. The reduction in the export price, which in due course would determine the reduction in the export tax, is a subject upon which the National Energy Board makes recommendations from month to month. The Board will be making such a recommendation within a few days. I will have to await the board's judgment in this case.

● (1430)

Mr. Hees: I have a supplementary question, Mr. Speaker. As the reduction in demand has been principally in other oils, in addition to the heavy oil to which the minister referred, and as the government obviously has nothing planned to make our oil more competitive in this diminishing market, I should like to ask the minister is he not familiar with the way in which the principle of supply and demand operates, and also the fact that customers once lost are very hard to regain?

Mr. Macdonald (Rosedale): Mr. Speaker, I think I should point to the hon. gentleman that what he is proposing is that we in Canada should apply to our oil the United States price control system. I think we in Canada should

determine what the fair international price is for our product and should not have it determined by the United States administration.

Mr. Hees: I rise on a point of order, Mr. Speaker. That is not at all what I intended. What I am saying is, does he not agree it is good business practice to make our commodities competitive so that they will sell in satisfactory volume instead of having that volume continually stripped away?

Mr. Macdonald (Rosedale): Mr. Speaker, if it is a free market, that is one question. If it is a diktat by a foreign government, that is another question altogether.

OIL—SHARING WITH PRODUCING PROVINCES OF FIFTY PERCENT OF EXPORT TAX—CONSULTATIONS WITH PROVINCES ON TAX ON ROYALTIES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question of the minister. Prior to the arrangement made that the surtax is to be used or paid to the consuming provinces to assist them in respect of the price of petroleum, the minister said before the standing committee that 50 per cent of the tax collected prior to that agreement would be returned to the provinces. Has that money been returned to the producing province of Alberta as well as the producing province of Saskatchewan, and how much money has been returned to the treasuries of those provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman is quite correct in saying that in respect of the export tax which was exigible between September of 1973 and January of 1974, there was indeed an undertaking to return 50 per cent of that revenue to the producing provinces which has been done. As to the balance, we indicated we would invest that in energy related projects in the province, and as recently as a few weeks ago when I met the Alberta ministers I pointed out to them there was an account outstanding there and we would be happy to talk about co-operative energy investments together.

Mr. Woolliams: Mr. Speaker, I am glad to hear the minister talk about co-operation. I am wondering now if he has had serious talks with the Minister of Finance who is meeting with the premiers of western Canada at the present time in reference to that budgetary provision wherein the federal government would collect federal tax on royalties and under that condition would not permit the producing companies to use that as an expense in respect of taxable income. I know this is a budgetary matter, but has there been a conversation between the ministers in light of the headlines in the past week in western Canada which state that 96 per cent of the drilling companies owned by Canadians are pulling out of Canada and going to the United States or Mexico to drill for oil.

Mr. Macdonald (Rosedale): Mr. Speaker, the minister and I and our two departments have been in close touch on the appropriate tax regime for the industry in Canada. Of course in the last several days he has been consulting in this regard and I have not yet had an up to date report from him. I would anticipate that on his return.

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—SUGGESTED STATEMENT BY MINISTER ON GOVERNMENT POSITION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Secretary of State for External Affairs with regard to the upcoming World Food Conference which is to take place in Rome in a little over two weeks time. I wonder whether the minister is in a position now to indicate whether Canada has arrived at a position, when this position will be made public to the Canadian people and whether or not he has had an opportunity to review two national conferences which have been held here, the Agro conference in September and the Conference on Non-governmental Organizations about ten days ago?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the Canadian position to be expressed at the World Food Conference early in November is presently being considered by the government and decisions ought to be taken very shortly.

Mr. Stanfield: They will have to be.

Mr. MacEachen: I have had an opportunity to review the conferences to which my hon. friend has referred. In fact, I attended briefly part of the proceedings of the first conference.

Mr. MacDonald (Egmont): I have a supplementary, Mr. Speaker. In view of the importance of this conference not only to the peoples of the world with regard to food requirements over the next decade but to Canada itself cosidering its own food production capabilities and its technological skills, can the minister indicate whether he is prepared either to intervene in the debate later today on my own motion in respect of establishing a world commission on resources or referring the subject matter in this particular motion and other matters of a similar nature relating to the World Food Conference to the Standing Committee on External Affairs and National Defence so that the minister as well as others might be able to give their opinions so that there would be a well defined position before the minister, with his officials, attends this conference in Rome?

Mr. MacEachen: Mr. Speaker, I have already expressed certain tentative views about the deliberations of the conference in my speech on the address in reply. I congratulate the hon. member for giving members of the House an opportunity to express their views. I would hesitate to interrupt that debate before it has reached its full hour's duration.

WORLD FOOD CONFERENCE IN ROME—REASON FOR DELAY IN DEVELOPING GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary for the same minister. I heard what he said in the House about the conference and I would ask the minister whether there is any justification for the government waiting so long before reaching a position with regard to a matter of great impor-

tance to Canadians and the world. Is there any reason, in fact, for the government not having its position already developed in respect of the food conference, because on the surface it looks like something which ought to have been settled some time ago. What is all the difficulty?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the Canadian position has been under consideration for some considerable time. It has been the wish of the government to take into account the views of quite a variety of organizations and individuals, including the conferences mentioned by the hon. member for Egmont, before taking a final decision on the attitude to be taken. The government realizes the importance of the conference, not only to Canada but particularly to the developing countries of the world and its attitude will be conditioned by that realization.

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SOCIAL SECURITY

RECIPROCAL AGREEMENTS ON PENSIONS WITH FOREIGN COUNTRIES—POSSIBLE AGREEMENT WITH UNITED KINGDOM AND UNITED STATES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the fact that several years have gone by since the government launched an effort to secure reciprocal agreements on pensions with a number of countries and in view of the fact that thus far only one such reciprocal agreement has been put into effect, can the minister say whether the government is now prepared to activate this program in the hope that the reciprocal agreements might be reached fairly soon.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): At the present time, Mr. Speaker, the government of Canada is actively engaged in negotiations with those of a number of other countries concerning this. However, in such negotiations, the basic issue remains the same, that is, how much are other countries willing to give in exchange for the outstanding benefits available in Canada to retired people, as compared with those available in other countries. There are a number of countries anxious to avail themselves of all the Canadian benefits but unwilling to grant as much in exchange to those available to their nationals living in Canada. We always come across this problem in such negotiations.

[*English*]

Mr. Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker. In view of the indications that there is a meeting of minds between this country and the United Kingdom and perhaps also between Canada and the United States, can the minister give any hope that agreements with either of these countries might be effected soon?

[*Translation*]

Mr. Lalonde: Mr. Speaker, there were discussions again recently concerning this among Canadian and British officials. However, there still remains the basic problem I just mentioned, namely whether the United Kingdom will grant anything in exchange for the extensive benefits presently available to Canadians.

[*English*]

Mr. Knowles (Winnipeg North Centre): Just activate the program.

* * *

● (1440)

IMMIGRATION

ADMISSION OF WAR ORPHANS UNDER SPONSORSHIP OF PROVINCIALLY APPROVED HOMES—GOVERNMENT POSITION

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question to the Minister of Manpower and Immigration relates to some undertakings he gave several months ago on the admission of war orphans to Canada as a humanitarian measure without the necessity for such orphans being adopted, that is, being admitted to Canada under the sponsorship of provincially approved homes. Can the minister bring the House up to date on that, particularly the undertaking given in Calgary last June.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I should like to get more details from the hon. member on precisely what kind of information he wants. I can say generally, with regard to the application of Mr. Maurice Spring in connection with institutions he wished to expand at Springhill, we have examined this very carefully and have expressed great admiration for his motives but have indicated regretfully that it is a matter of Canadian immigration policy not to encourage the immigration of orphan children to a destined institution no matter how commendable. We look with more favour upon the situation where children can go into an adoptive relationship with mothers or fathers in this country.

POSSIBILITY OF OBTAINING COUNSEL FOR PERSONS FACING SUMMARY DEPORTATION—REVIEW OF CASES BY MINISTER

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is also for the Minister of Manpower and Immigration. In a recent speech to the Alberta Chamber of Commerce on October 7 the minister referred to Canada's policy of clearly informing foreign workers of certain rights and responsibilities while in this country. In the light of these admirable sentiments may I ask the minister if he is prepared to take the initiative to permit individuals faced with summary deportation procedures, adequate time to obtain and properly instruct counsel?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the whole matter of immigration procedures, policy and legislation is under intense review now and as has been indicated—

Mr. Baldwin: It has been for the last five years.

Mr. Andras: Mr. Speaker, it has been under investigation since 1952 and this government is going to do something about it.

Mr. Hees: You are getting as bad as Herb Gray and you know what happened to him.

Mr. MacKay: A supplementary, Mr. Speaker. It is certainly time something was done about it. In those cases where individuals are treated unjustly, or there is suspicion they may be treated unjustly by special inquiry officers at summary deportation hearings, what steps does the minister take to redress cases of that sort and what is his method of review?

Mr. Andras: Mr. Speaker, if the hon. member or any other hon. member will give me specific instances I will ensure a thorough examination of the practices of special inquiry officers is undertaken. I must say that they have a tremendous undertaking, acting in the interests of this country and generally speaking they do a very fine job.

Mr. MacKay: On a point of order, Mr. Speaker, and further to what the minister said just now, I want to bring to his attention that I wrote him a letter which I sent to him by hand on July 22. It dealt with one of these cases but I have not had a satisfactory response.

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ADMINISTRATION OF JUSTICE

REQUEST FOR REVIEW OF JUDGMENT OF SUPREME COURT ON USE OF SEARCH WARRANTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Justice, he having had the opportunity of reading the rather extraordinary judgment of the Supreme Court of Canada in connection with search warrants in which the court concluded that one's home is indeed not one's castle, which is of course the essence of English common law. By this judgment, without a warrant, police may under circumstances enter one's home. Would the minister look into this question to the end that this right be returned to the position that it has always believed to have been, namely, that one's home is sacred and only a search warrant can be used, except in the case of rapid pursuit?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have had a chance to look at the decision of the Supreme Court. Of course that court found the justification for entry being permitted into the premises in the common law itself as well, in circumstances where a person suspected of having committed an offence was being pursued or sought. Those circumstances certainly do merit some special action on the part of law enforcement officers. I did notice, however, that the judgment raised the question of whether we might, by alteration in our rules in regard to warrant, provide at least in certain circumstances an alternative to the form of obtaining a warrant in order that they have it in hand if they do, in fact, find it necessary to enter premises. We will be giving consideration to that question.

Mr. Diefenbaker: Mr. Speaker, I am sure the minister recognizes that as one of the characteristics of a police state. I am not suggesting that exists in Canada. However, those who operate as police are able to invade one's home regardless of the circumstances. I hope that the government, at the earliest possible date, will bring in an amendment to ensure that that judgment shall, to the extent necessary, be altered so that the rights of Canadian citizens will not be lost to the police.

Mr. Lang: Mr. Speaker, I did indicate that we would give consideration to whether the existing form of warrant is adequate for that purpose. I should like to disassociate myself entirely from the suggestion of the right hon. gentleman that the decision somehow indicated that entry would be possible in any sort of circumstances.

Mr. Diefenbaker: It is pretty nearly wide open.

Mr. Lang: The case was specifically related to the right to enter when there was reasonable grounds for thinking a fugitive from the criminal law was being harboured. Those are pretty narrow circumstances.

Mr. Diefenbaker: Mr. Speaker, I was surprised to hear the explanation from the minister because he started off his answer originally saying that he had not read the judgment.

Mr. Lang: On a point of order, Mr. Speaker, I should like to make clear to the right hon. gentleman that I said I had read the judgment, not that I had not.

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[*Translation*]

COMMUNICATIONS

POSSIBILITY OF ESTABLISHING TELEVISION STATION IN RIMOUSKI

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

Could the minister tell the House at what time a second TV station will be inaugurated in the Rimouski Area?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, that is for the CBC to decide and I do not report to the House for the corporation. In the absence of my colleague the Secretary of State, I shall take note of the question and have an answer in a few days.

* * *

[*English*]

ESTIMATES

REASON FOR FAILURE TO INDICATE INCREASE IN COST OF PUBLIC BUILDINGS IN MONTREAL

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is directed to the President of the Treasury Board who is responsible for the preparation and tabling of the estimates. Would the hon. gentleman advise if the estimated cost of two large public buildings in Montreal have escalated? I refer to Place Guy Favreau where the cost has risen from $42 million to $173 million and the postal complex which has risen from $56 million to $184 million. If that is so, why was there not a notation or addendum to that effect in the estimates recently tabled so that hon.

members would have it before them later this week in the debate on estimates.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, we have proposed as a first step all estimates submitted to Cabinet starting from dissolution up to the beginning of this session of Parliament. Those are the estimates tabled. The next supplementary estimates will be submitted to the House in December next.

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[*English*]

PUBLIC WORKS

REASON FOR DELAY IN TABLING ANNUAL REPORT OF DEPARTMENT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to put a supplementary question to the Minister of Public Works. Would the hon. gentleman advise this House why he has not laid before parliament the annual report of the department which is due within 21 days after the opening? Will he do this before debate starts on Wednesday and not conceal the information any longer from the House?

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

● (1450)

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, subject to checking my recollection I think I do recall having signed a document forwarding to the Clerk of the House the annual report.

Mr. Baldwin: Mr. Speaker, I rise on a question of privilege. My staff phoned the minister's department today to ask for a copy of the report and were told it will not be ready or available for one week.

Mr. Drury: Mr. Speaker, I thank the hon. gentleman for that information.

Mr. Hees: The old pork barrel is in operation again.

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ADMINISTRATION OF JUSTICE

REASON FOR ALLOWING TANKER TO LEAVE ST. JOHN'S IN VIEW OF FINANCIAL POSITION OF OWNER

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is for the Solicitor General. Has the minister caused an inquiry into the situation which arose in St. John's over the week-end, whereby a foreign supertanker whose application for return to Britain had just been denied by the federal court authorities, whose parent company had declared bankruptcy and which had an outstanding fuel bill for $300,000 was somehow able to leave port and leave in her wake an RCMP patrol vessel. Why was precautionary surveillance not undertaken? Will the minister make information on this matter available to parliament?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have not a report on the matter but will get one as soon as possible.

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FISHERIES

ATLANTIC PROVINCES—REQUEST FOR FUNDS TO REPAIR STORM DAMAGE TO SMALL CRAFT FACILITIES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Fisheries. In light of the excessive damage done to breakwaters, skidways and the like caused by the week-end storm in Nova Scotia, would the minister consider treating this disaster in a special way by requesting additional funds for this type of reconstruction and repair, otherwise the small craft harbour development program will be delayed for another two or three years.

Hon. Romeo LeBlanc (Minister of Fisheries): Mr. Speaker, I have already asked for some information, following representations by an hon. member. I hope, God and the weather willing, to go to Halifax this evening. I will make it a point to bring this matter up with officials of my department, as I am the last one who would want to see any delay in bringing about improvements under the small craft harbour program.

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STATUS OF WOMEN

INTERNATIONAL WOMEN'S YEAR—REASON FOR CHANGE IN PROGRAM DIRECTOR

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Acting Secretary of State, if such a minister is present. What has been the minister's response to a telegram from 75 delegates to a consultation here in Ottawa to prepare for International Women's Year, who deplored a change of the head of the program which is to take place within a couple of months of the beginning of International Women's Year.

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I will take note of the question and try to get an answer for the hon. member as soon as possible.

Mr. Fairweather: Mr. Speaker, while the minister is kindly taking note, will he give us an explanation for the timing of the reclassification of the position involved. When will the new appointee start to work, and will she be full time?

EXTERNAL AFFAIRS

NEGOTIATIONS WITH UNITED STATES ON TANKER ROUTE FROM ALASKA—CANADIAN POSITION ON SAFETY STANDARDS FOR TANKERS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Secretary of State for External Affairs and has to do with questions which have been raised here in the last few days concerning the tanker route. Has the Canadian team engaged in discussions with the United States taken exception to or protested against the reduction of safety standards in shipbuilding, involving, for example, the double-bottom standard, which the United States authorities had undertaken to ensure.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am not quite sure whether I understand the full implications of the question. With respect to double bottoms, I understand there has been some divergence of view on the part of experts on both sides of the border on the question.

Mr. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. As it is obvious to the House that no objections have been raised, is the Canadian team prepared to suggest safety standards of design for ships which will enter our waters and could endanger our shores.

Mr. MacEachen: Mr. Speaker, the Canadian team has put forward and has under discussion with the United States the over-all environmental protection plan, including all aspects of the protection of the environment. My hon. friend can assume that that particular point has been looked after as well.

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THE CANADIAN ECONOMY

NATURE AND PURPOSE OF CONSULTATIONS WITH PROVINCES ON MEASURES TO COMBAT INFLATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is for the Acting Prime Minister and has to do with the conference coming up on October 30, I believe, between the federal government and provincial premiers, which shows that the Prime Minister has found out that inflation is very serious in this country. Has the government yet adopted any sense of urgency on this matter and, if so, is the Prime Minister going to present to the premiers a specific and updated timetable, to get an effective national policy under way, or will we continue, and I say this with great respect, with a dog-eat-dog society?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the meetings that are being arranged by the Prime Minister with his counterparts in the provinces are part of an approach that has been announced over a period of some weeks. There is nothing new about this. He has not, however, succumbed to the temptation to have a summit meeting in which there will be a vast assembly of people who will engage in talk and nothing else. The approach of the government toward this is one of careful planning and the kind of action which we hope will be effective. It is a problem of the utmost complexity and is unprecedented, and the kinds of ideas which have been put forward by the opposition on summitry are now outdated.

Mr. Alexander: Mr. Speaker, I do not think the Acting Prime Minister has to express any sympathy for the unacceptable attitude of the Prime Minister in the past. May I ask this question: Is the process of consultation clearly aimed at establishing nation-wide consensus on voluntary guidelines? If so, is the Prime Minister going to make that clear to the premiers and exchange views on what guidelines should be sought? Is this on the agenda, sir?

Mr. Sharp: Mr. Speaker, the purpose of the negotiations which will be carried on at many levels—the Prime Minister with the premiers of the provinces, the Minister of Finance with his counterparts, I hope the Minister of Labour with representatives of labour unions and various ministers with the business community—will be to put forward what the government conceives to be the nature of the problem we now face.

Mr. Stanfield: And what is that?

Mr. Sharp: It will be to seek the views of the various groups in the community so that there can be an approach which has some chance of being accepted generally.

Mr. Diefenbaker: You are two years too late.

Mr. Sharp: The government does not intend at this time to press for wage and price controls or that kind of approach which the people of Canada turned down, as the hon. gentleman knows very well.

Mr. Alexander: A final supplementary, Mr. Speaker. Is it not amazing how enlightened this government has become after July 8?

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NATIONAL DEFENCE

POSSIBLE NEGOTIATIONS WITH BRAZILIAN COMPANY ON PURCHASE OF ARMOURED VEHICLES—GOVERNMENT POSITION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of National Defence. Keeping in mind that the Minister of Industry, Trade and Commerce is in Brazil, will the minister inform the House whether his department, or the government, is negotiating with a Brazilian company, Engeheiros Especializados, on the purchase of $200 million worth of armoured vehicles?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, no we are not in any such negotiation that would be nearing a purchase. We do, of course, examine sources of supply in all parts of the world.

Oral Questions

ENERGY

ALLEGED SALE OF GOVERNMENT PURCHASED OIL TO COMMERCIAL COMPANIES

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Supply and Services. In his absence may I direct it to the Minister of Energy, Mines and Resources. It concerns the 21 million gallons of heating oil the government purchased last year for approximately 90 cents a gallon. Can he explain to the House why the government had to sell that same oil back to Canadian Oil companies for 15 cents a gallon.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my information is that the hon. gentleman is wrong in that respect. It has been used by the Canadian government in its own establishments.

Mr. Reynolds: A supplementary question, Mr. Speaker. Is the minister saying it is fact that none of this oil has been sold to Canadian oil companies?

Mr. Macdonald (Rosedale): Mr. Speaker, I would have to confirm whether any of it has been sold to them. In general, it is being used in Canadian government establishments rather than being put back on the market.

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ENVIRONMENTAL AFFAIRS

EFFECTS OF SUPERSONIC AIRCRAFT ON UPPER ATMOSPHERE—POSSIBILITY OF CANADA REFERRING QUESTION TO UNITED NATIONS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of the Environment. In view of the recent Massachusetts Institute of Technology study, commissioned by the United States Department of Transport, that warns about the dangerous effects of supersonic transports to the upper atmosphere and in view of the news over the week-end that the Ango-French Concorde landed on Canadian territory, can the minister advise the House what is the government's policy regarding landing rights for supersonic aircraft?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, obviously, the Minister of Transport could tell the hon. member more about the policy than I can. As for the effect such aircraft would have on upper atmosphere ozone, the hon. member will be interested to know that a team of Canadian scientists is participating in an international study of this problem.

● (1500)

Mr. Fraser: A supplementary question. Can the minister advise how these studies have proceeded and whether in addition to these studies Canada intends to take any steps to raise this important international matter before the United Nations?

Mrs. Sauvé: Mr. Speaker, I think we will wait until we have the results of these studies before we enter into the steps the hon. member is suggesting.

Some hon. Members: Hear, hear!

[Mr. Richardson.]

EXTERNAL AFFAIRS

POLICY STATEMENTS BY SPOKESMEN FOR GOVERNMENT—MINISTER'S APPROVAL

Mr. Tom Cossitt (Leeds): My question is for the Secretary of State for External Affairs. What is the working relationship between the minister and Mr. Ivan Head of the Prime Minister's office, a spokesman on foreign affairs? Specifically, does the minister see, or approve in advance Mr. Head's policy pronouncements such as those made to the press on September 25 and October 15?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I doubt the urgency of the question. That question might have been relevant in September, but in late October it is a bit obsolete.

Some hon. Members: Hear, hear!

Mr. MacEachen: My working relationships with the Prime Minister and Mr. Head, who works for the Prime Minister, are excellent.

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AGRICULTURE

GROUND BEEF—GOVERNMENT ACTION TO PREVENT HIGH FAT CONTENT AND EXCESSIVE BACTERIAL COUNTS

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I have a question for the Minister of Agriculture. In view of substantial evidence revealed in last night's CBC program "Market Place" that there is widespread violation of federal regulations governing the fat content of hamburger, and excessive bacterial counts, and in view of the large number of cows now coming to market in Canada, which provide the bulk of our hamburger and ground beef, has the minister taken the necessary steps to ensure greater surveillance of this aspect of our meat trade, in particular to ensure there is no repeat of the rotten egg situation?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member knows full well that in Canada we have one of the best inspection services. I did not see the program last night. I will have to check the substance of the program. If in fact it appears the federal people responsible are not doing the job they should, they will be checked.

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CONSUMER AFFAIRS

GROUND BEEF—IMPLEMENTATION OF RECOMMENDATIONS OF JUNE 6 REPORT OF FOOD PRICES REVIEW BOARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the recommendations contained in the report of the Food Prices Review Board on ground beef which was released on June 6, and in light of the shocking revelations made last night in the CBC program "Market Place" just referred to, showing diverse amounts of fat content and bacterial count, notwithstanding federal regu-

lations, as the minister responsible for the Food Prices Review Board, what steps is he taking to implement the recommendations contained in that June 6 report?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I hope the adverse publicity given on TV last night will have salutary effects.

On the other hand, my department's officials have already taken action against the persons who violated the regulations. In particular, I asked that very special attention be given to these inspections and we will not fail to take action against those who will not comply with the rules.

* * *

[*English*]

HEALTH

ALLEGED HIGH BACTERIAL COUNT IN GROUND BEEF—REQUEST FOR ASSURANCE REMEDIAL MEASURES TAKEN

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. Is the minister now in a position to assure Canadians that his department has the inspection capability to enforce the food and drug regulations in Canada, and will he take steps to examine these very serious charges of shockingly high bacterial counts in ground beef which could, according to the researchers, cause poisoning to Canadians? Can he give assurance that he is taking steps to have this shocking situation remedied?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will certainly take steps to determine whether the bacterial counts come from the CBC program "Market Place" or from the stores. I will advise the hon. member of the results.

Mr. Speaker: Orders of the day.

Mr. Broadbent: Mr. Speaker, I rise on a point of order arising out of the absence of 11 cabinet ministers. Can the government House leader inform the House if we have today witnessed the beginning of the roster system? If so, when might we expect a list indicating the days on which ministers expect to be in the House?

Mr. Sharp: The answer is no, Mr. Speaker. The reason a number of ministers are absent today is that they are on government business in various parts of the world, including various parts of Canada. If the hon. member would give me a list of the kinds of questions he wants to ask, it would help greatly in expediting the business of the House. Possibly the other House leaders could do the same.

Mr. Cossitt: Mr. Speaker, I beg the indulgence of the Chair on this point of order. I was recognized to ask a question of the Secretary of State for External Affairs, which I did. I rose to ask a supplementary question. It is my impression that a member has the privilege of asking a supplementary.

Mr. Speaker: Order, please. The hon. member may know that despite the freedom I try to let hon. members enjoy during the question period, nevertheless there are certain limits, even on the oral questions, as to what ought and what ought not to be asked, and whether by an oral question or by a question on the order paper. In every case, the judgment of the Chair must be exercised as to the number of supplementaries, if indeed any, ought to be permitted, in the interest of other members who also want an opportunity to ask their questions.

The hon. member well knows that the question he asked was of very questionable character vis-à-vis its qualifications as a proper question to be asked in the question period. For that reason, and using the discretion of the Chair, I did not recognize the hon. member for a supplementary. I did not feel his question ought to be followed by a supplementary in preference to other members who wanted to ask questions.

GOVERNMENT ORDERS

[*English*]

PUBLIC ACCOUNTS

REFERENCE TO STANDING COMMITTEE OF PUBLIC ACCOUNTS AND AUDITOR GENERAL'S REPORTS FOR YEARS ENDED MARCH 31, 1972, AND MARCH 31, 1973

Hon. Mitchell Sharp (President of the Privy Council) moved:

That the public accounts for the years ended March 31, 1972 and March 31, 1973 and the reports of the Auditor General thereon, together with the evidence adduced by the committee during the twenty-ninth parliament, be referred to the Standing Committee on Public Accounts.

Motion agreed to.

* * *

INDIAN OIL AND GAS ACT

MEASURE RESPECTING LEASES, LICENCES AND ROYALTIES

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development) moved that Bill C-15, respecting oil and gas in Indian lands, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

He said: Mr. Speaker, the House was advised in the Speech from the Throne that the government intended to introduce legislation respecting oil and gas on Indian lands. Bill C-15 was given first reading before this House on October 7. It is my pleasure, as Minister of Indian Affairs and Northern Development, to bring the bill forward for second reading today.

It is a bill which merits the support of all members. All of us are aware of the recent turmoil in oil and gas prices, markets and distribution. All of us are aware how essential it is for Indian bands and people to participate fully in the Canadian economy, getting all the benefits they can from the lands set aside on their behalf. This bill is

intended to ensure that equitable benefits from oil and gas production on Indian lands go to the Indian people.

Let me give the House a brief history of oil and gas production on Indian lands so that I may demonstrate how important this legislation is to a great many Indian people—important as a tangible indication that the people of Canada are determined that Indians shall receive the fullest benefits from the resources on their reserves. Most of the wells now producing on Indian lands were drilled between 1947 and 1956. Exploration, drilling and production were governed by regulations under the Indian Act. They were structured to conform closely to Alberta's regulations, for it was in Alberta that the major oil finds were made. They adopted the Alberta model of low royalty rates and long-term leases of 10 and 21 years. Under this plan, the bands received cash bonuses, royalties on actual production, nominal acreage rentals and compensation for surface rights.

● (1510)

This worked well over the years when the oil industry was relatively stable, and it fitted into the oil and gas environment where the wells were located. The need for change was made clear last year when the oil crisis erupted and it became apparent that the regulations of 1966 were not flexible enough to meet the situation. Difficulties arose when it became necessary to consider revising the regulations and it became apparent that the Indian Act was not a sound basis for applying the kind of controls and flexible approach which the situation demanded. It was agreed that new legislation was necessary to make certain that the regulation of this important resource was consistent with the best interests of the Indian bands concerned. The leases entered into under existing regulations called for royalty rates which were not consistent with the new situation, and these rates were locked into those leases. The royalties were determined by agreements which did not—indeed, could not have foreseen the changing times.

It is evident that this inflexible situation requires action and that only legislation will serve the Indian needs. It is essential that the royalties be adjustable without delay when circumstances in the industry change. it is imperative that Indian bands receive royalties which the latest market situation warrants, just as others do. Oil and gas resources on Indian lands cannot be allowed to provide windfall benefits for those operators fortunate enough to have their production coming from Indian reserves. All the oil producing provinces have enacted legislation to amend royalty scales as well as to establish elaborate marketing and production controls of various kinds. Indian bands alone are caught in a situation where regulations cannot be quickly adjusted to the new turn of events.

Fortunately, a study team had been appointed before any oil crisis was visualized. The team included the solicitor for the producing bands, the solicitor for the Alberta Indian Association, and experts in the oil and gas field. The study team worked fast. On March 28, 1974, an order in council set new rates of royalty and established the principle of variable royalties so that rates could be altered to meet changing conditions. This was an interim measure. The present bill was drafted to follow up the

[Mr. Buchanan.]

provisional changes made by the order in council and to establish the framework needed. It is too bad it could not have been introduced and passed—for I am sure it will be passed quite quickly—before prorogation. However, that was not to be, and the next best thing is the early introduction of the bill which I am presenting today.

Bill C-15 provides a framework for the future regulation of oil and gas activities on Indian lands in the best interests of the bands. Dealing as it does with this one resource, Bill C-15 in no way conflicts with the government's commitment not to amend the Indian Act until the Indian people's proposals are put before the government, the House and the Canadian people. Far from conflicting with the principles of the Indian Act, the bill provides solid benefits to Indian people. Let me summarize its objectives: It reiterates the principles set out in order in council PC 1974-732 which increased royalty rates significantly. It elaborates the scope of the authority contained now in the Indian oil and gas regulation. It set aside the royalty provisions of the existing oil and gas contracts and provides for royalties to be prescribed from time to time by order in council, thus giving the flexibility needed in an ever-changing situation. It enables the Minister of Indian Affairs and Northern Development, after first getting the approval of the band concerned, to enter into special arrangements for reducing royalties where conditions warrant that step. It provides that all oil and gas rights granted on Indian reserves may be subject to legislation which is suited to the industry conditions of the day.

In early 1974 there were consultations with the Indian bands about proposed changes in the regulations. The more important proposals concerning royalties have been brought into effect through amendments to regulations. This bill ensures that in the future the regulations will be more flexible and responsive. This bill is concerned mostly with the future. The oil and gas resource is a "once only" proposition. Once the oil is removed from the ground, it will not again enrich the band. Oil and gas production is a relatively shortlived proposition. The Pigeon Lake Indian reserve has oil which was estimated in 1969 to be good for 30 years production at the then prevailing rate. Today, five years later, it is thought these reserves will decline drastically in the next three years due to increased production. The greatest possible return must flow to the band when the oil is taken from the ground and is lost to them forever.

Indian bands will receive, in royalties, about $40 million this year from this important resource. Last year they received $9 million. As oil and gas production declines, there may be a reduction in this income, although with prices being the way they are, no one can tell for certain what the future will bring. Royalty income is based on production and the current selling price of conventional oil and gas. Several reserves are known to be underlain by many millions of barrels of very heavy crude oil. When technology improves, and the price is right, we can expect to see royalty income from this resource flowing into band funds. The bill before us anticipates the day when that happens, for such a particular resource will require flexible approaches, being different in many ways from what is produced today.

The bands which enjoy oil revenues will certainly make as good use of the money in the future as they have in the past. Many hon. members—especially those from Alberta—know, for example, how the Enoch, Sawridge and Hobbema bands have improved their communities in economic, cultural and social terms with the benefits of oil income. Others have done the same.

Canadians generally will, I am sure, want to see the Indian people enjoy whatever benefits they can from the reserves set aside on their behalf. Oil and gas were not foreseen in Alberta when the Indian reserves were set aside. They are an accident of time and circumstances. For a people who have generally suffered through the accidents of time and have repeatedly lost their struggles with circumstances, it is an important principle that this bill sets out. The principle is that parliament will do its best to see that the Indian people get the greatest possible benefits from the resources set aside on their behalf. The government believes this bill is important to the Indian people and hopes the House will support it in that view.

The Acting Speaker (Mr. Penner): Does the hon. member for Calgary North (Mr. Woolliams) wish to ask a question? The minister may certainly accept a question if he so desires.

Mr. Woolliams: The minister spoke about royalties being changed under the new bill or the regulations. When the federal government charges royalties—not the provinces, because I assume we are dealing with a resource on federal land, not only on reserves but also in areas outside provincial jurisdiction—can the minister assure the House that the producers, the drillers, will be able to write off as a legitimate expense any royalties collected by the federal government, rather than paying tax on a federal tax, as is now the case under the arrangement whereby the federal government presently imposes its tax on provincial taxes?

Mr. Buchanan: Basically, that does not involve a decision to be taken by my department. We are aware of this question and have been engaged in discussions with representatives of the industry with regard to it. However, it is a matter which will be dealt with by my colleague the Minister of Finance (Mr. Turner) when he introduces his budget.

● (1520)

Mr. Woolliams: On a point of order, Mr. Speaker. That is the kind of nonsense of which this government is guilty. They are ruining the resource industry of this country. This bill will do nothing.

An hon. Member: That is hardly a point of order.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I had not thought to commence my debating in this House with this particular bill. I say that, not because I am not interested in it; there are, in fact, Indian bands and Indian people in my constituency and the area that I know so well who are interested in this bill and in the proceeds and royalties derived from petroleum wells that have been drilled. However, some of the most concerned people in our party are not here today because they did not expect the legislative program to proceed as rapidly as it has. This is probably an indication of the extent to which—he was different in his role as Secretary of State for External Affairs—the present government House leader (Mr. Sharp) has been made more mellow and his task smoother so that it has become, in the best political sense of the word, even more slippery so far as the conduct of House business is concerned. Perhaps the present Secretary of State for External Affairs (Mr. MacEachen), the former House leader, may derive the same benefit. Who knows, even the Minister of Energy, Mines and Resources (Mr. Macdonald), at one time House leader, might become a good House leader if he has experience in external affairs.

I am glad to speak following the minister, whom I wish well in the responsibilities that he has assumed. His is one of the most difficult tasks facing any government. We in this country have to come to grips with the problems of the Indian people. I do not say "the Indian problem" because I think there are a number of Indians who have problems, as there are a number of white people and non-Indians who have problems. But the Indian question is a difficult one, as all of us who were here for the opening of parliament are aware. We know what could happen and we know the dangers inherent in the relationship between the government of Canada and the Indian people. But knowing the minister, I think he will do his very best. He had the advantage of getting his start in the city of Edmonton, in the province of Alberta, and he has not been in the east long enough to have all of those good qualities buried under the weight of eastern problems which we all see from time to time.

We must look pretty carefully at this bill, for it is not quite as simple as the minister indicated. In the first place, it is probably the forerunner of other matters that will arise in the future. I am not going to go into them. There is the Mackenzie Valley pipeline and the rights of the Indian people there in connection with petroleum reserves. In addition, the Indian people face many other problems with which the government of Canada will have to contend. I think it has to contend with them on the basis that the long period of wardship, of trusteeship, must now come to an end and the Indian people must be deemed to be qualified to deal with their problems as they see fit. This does not mean that they will not make mistakes, as we have made mistakes in the past. But if they are not given the opportunity to find their own methods of dealing with their difficulties, then they will stay as our wards for a long time—a situation that is undesirable both for them and for us.

Although what I now say is probably a little irrelevant, it is nevertheless related to this whole question. Just a few days ago I had the pleasure of accompanying the new Lieutenant-Governor of Alberta, Ralph Steinhauer, himself a full-blooded Indian, into the Rainbow Lake area in the Assumption district where there is a band of Slavey Indians who have petroleum reserves in respect of which the government has been receiving royalties from time to time. On my visit there I met with people I have known for 15 to 20 years, such as Chief Harry Chonkolay, his wife Elizabeth, and many others. Some I met for the first time almost 40 years ago when I went into Fort Vermillion country. At that time we went by boat. There were no roads, railway or aircraft and so I walked 30 to 40 miles into the area and first met some of these people.

They have done a pretty fair job of trying to conduct the affairs of their band. They have had problems with the department and also with the white people who have gone into the area, but generally the chiefs and the band councils have brought the affairs of their people along with a moderate degree of success. In speaking to the chief at the banquet given for His Honour, I learned of the difficulties facing them. He told me, "We are older; we are getting on in years. We have managed the affairs of our people, with their consent, as their elected representatives, and have negotiated with the government for many years. But it is time to yield our place to young men and women and let them manage the affairs of the band instead of us".

Their complaint was that as they looked around and talked to the young people, they were told, "We do not want the job. The government of Canada and the representatives of the Indian Affairs department have not over the years conducted themselves in a way that lends itself to a reasonable arrangement being arrived at between our people and the rest of the people of Canada so that in due course the Indian people can, if they see fit, take their place with the other people of Canada or, if they see fit, stay on the reserve". These people read about and watched on television the violence at Kenora, British Columbia, and in Ottawa. In light of this, these young people are most reluctant to take upon themselves the responsibility of acting in the band councils, in the councils of the Indian people, and of carrying on in the same way as did their parents, not wanting to use methods of violence, anger and hatred, but of reason, compromise, understanding and co-operation.

This bill might well be an indication of the government's intentions regarding the Indian people. We may be able to go back to the Indian people and tell them that the government has changed, that it is prepared to negotiate with the Indians and give them responsibility for conducting their own affairs. We may be able to say, "We ask you, the young people, to take your place in the councils of your own people and to conduct affairs for them". For this reason I attach a great deal of importance to this legislation.

● (1530)

I am confident there will be other bills to follow. There is even talk about a complete revision of the Indian Act. One young gentleman who has been prominent for some years in the councils of native people in my province—he was originally from my constituency—namely, Harold Cardinal, has with the aid of Indian councils taken it upon himself to provide a model Indian Act. He was here with it not long ago at the time of discussions with the minister and his colleagues.

I use that fact to illustrate that many of these young people are competent, knowledgeable and capable of taking their place as representatives of the Indian peoples. They are still suspicious of the extent to which the federal government and the federal department, with a long and sad history of colonialism which I hope has now ended, are prepared to accept them in a relationship which will vest in them the right, at long last, to handle their own affairs. For that reason, while we shall not oppose the passage of this bill, we follow that course *dubitatio;* we go along with it, but we are a little doubtful. We will use the opportunity in committee to examine in close detail some of the reasons, consequences and factors which relate to the application of this legislation.

For the reasons I have mentioned, I would refer the minister to clause 3 of the bill. I do not intend to go into the bill in great detail, as that will be done in committee, but to illustrate the point I am trying to make it is essential to refer to the legislation in that we are dealing with its principles. The bill purports to seek ratification and confirmation by this House of certain regulations purported to have been enacted by the governor in council under the Indian oil and gas regulations passed pursuant to section 57 of the act. At first blush, many of us wonder why it is essential, if these regulations have in fact the force of law, having legally been passed and lying squarely within the competence of the governor in council, to come to this House asking parliament to ratify and confirm regulations which to all intents and purposes have the effect of law. I hope the minister will respond to this question, if not when he sums up, then certainly at the committee when he makes his opening statement.

Most of us have been around here long enough to know very well the extent to which this government in particular, and most governments, provincial as well as federal, have steadily eroded the right of parliament to legislate. We know the extent to which governments have taken unto themselves, by almost every bill which is passed, more powers to legislate by order in council, thereby encroaching steadily upon the rights of the representatives of the people. I do not see any great rush by this government or this department to come to parliament and say that, because it passed regulations six months or a year ago, it now thinks it is essential to come back to this high court of parliament for ratification and confirmation. This is the first question the minister will have to answer.

We will want to examine precisely what the government has done, what operations it has carried out and what contractual arrangements it has entered into pursuant to these regulations, to ensure that they are in fact proper, legal and beneficial to the people for whose purposes they are alleged to have been passed. That is primarily a duty and a responsibility of the committee which will be dealing with this subject.

Clause 4 of the bill establishes the point I am making. It provides that the governor in council may make regulations. This is the regulatory granting of power which this House is being asked to approve, and it is enormous in extent. At this point in time in our relations with the Indian people, I am wondering if we can reflect to some extent our desire to limit some of these powers, rather than giving them to the governor in council without inhibition. Can we not reflect our desire to bring in the Indian people and their band councils who, I trust, will be the beneficiaries of the regulations to be passed?

I will not be a member of the committee and will not have the opportunity or the privilege of participating in the discussion, so I throw out these suggestions in the hope that some of my colleagues who will be members will give them thought. For example, the bill provides that the governor in council may make regulations respecting the granting of leases, permits and licences for the exploitation of oil and gas, as well as the terms and conditions

thereof. I should like to see inserted in that clause—and of course we cannot do it here—wording to the effect that the governor in council may, after consultation with the Indians and their band councils, make certain regulations.

In respect of the granting of leases, permits and licences, is there any reason why this right cannot be vested in the band councils themselves? Perhaps there is a reason. If there is, I hope the minister will point it out to the committee. The reason may relate to the intention of the government in respect of the proceeds of these royalties, and in this regard I think there is an onus and a responsibility on the government to spell it out. These people have been wards of the government for a hundred years. Surely they should now be allowed to assume responsibility for and to deal with their own affairs, making their own mistakes even as we have done. Why should we not allow the Indian people or band councils to make or grant leases, permits and licences for the exploitation of oil and gas on Indian lands? As I understand it, these band councils, through a proper democratic process, have been duly elected to carry out the responsibilities of the Indian people, subject to pressures, even as we are in this House, from the people who elected them. The same argument would apply to the clause dealing with the disposition of any interest in Indian lands necessarily incidental to the exploitation of oil and gas. Why should not the native people and the band councils be the ones, rather than the governor in council, to make these dispositions?

I will not go into the subsequent clause in detail because I think the wording speaks for itself. It refers to regulations providing for the seizure and forfeiture of any oil or gas taken in contravention of any regulations. I think this is an area in which the governor in council should operate. However, I think the wording should make it clear that the governor in council shall seek the consent of the band councils and Indian people affected. That is the case I am trying to make, and I again suggest that the minister and the government respond by pointing out the reason this step should not be taken at this point in the history of the relations of the Canadian government with our Indian people.

● (1540)

In clause 5 there is a principle which I do not like. It may be explained by the minister in the committee. However, it provides that the oil and gas obtained from Indian lands after the coming into force of this legislation is subject to the payment to Her Majesty in right of Canada of the royalties prescribed from time to time by the regulations. This raises the entire question. The minister attempted to go some distance along the road by giving an indication of what these royalties should be. My party, and I am sure many of the Indian people, would be interested in knowing, through the form of a complete and detailed statement, what royalties have been secured and what payments have been made to the government, which I hope the government has held exclusively in trust for the affected Indian bands and band councils.

We would also like to know the extent to which these payments have been diminished with regard to royalties paid to the provincial governments because of changes in the price of petroleum products over the last few months. I do not blame the minister for this. However, I have in mind the situation which prevailed in this country, starting almost a year ago, when we came up against the so-called petroleum problems, the shortages and the doubts which existed in the minds of so many people in other countries as to whether there would be enough petroleum, oil and gas for the western countries. I also have in mind the escalation of price which followed. I would have thought, therefore, the minister would have told us how much money has been lost, if any, to the Indian people because the amounts paid in respect of royalties were substantially less than the amounts paid the provincial government.

Having in mind the increased prices, have the Indian people suffered a substantial loss and, if so, do they have an action for damages against the federal government? It is not necessary for one to be a lawyer to know that if one has a trustee to whom he gives certain rights, through power of attorney, to do things on his behalf, and the trustee acts negligently or foolishly resulting in a substantial loss of money, there may well be a perfectly valid action for damages against the trustee. I know it is not easy to sue the federal government or to tackle city hall. I am not in any sense accusing the minister of misleading the House, but I wonder whether this may be one reason for the clause I referred to earlier. Could there be a potential action against the federal government, and could the effect of this legislation be to vindicate the federal government in what it proposes to do under the regulations? That may have been the intention.

I practised law long enough, before I was induced to enter politics, to know that what governments do is not always right. I have had some measure of success even in suing the federal government, because the federal government sometimes legislates in haste, without due regard for the law and therefore sometimes leaves itself open to legal action. This might very well be the effect of the passage of some of the regulations the government is now asking parliament to ratify.

The minister should realize he is being given notice that the committee will press him closely on this issue as well as on the other issues I have mentioned. That is all I intend to say now, Mr. Speaker. I hope the minister understands that our party will let this bill go to committee. Some of my colleagues may want to make a contribution to this debate. They have knowledge of the issues and may wish to make some comments. However, it is our hope that the bill will in fact receive second reading and go to the committee. I believe I am entitled to express a final caveat to the effect that the minister may expect the closest scrutiny and questioning in the committee. In fact, it will be a great start to his ministerial career.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, unlike the last speaker, I do not come from a constituency in which there are very many native people, but I do not think that is a reason for not participating in this debate. I believe the welfare of our native people should be the concern of every Canadian.

I should like to commend the minister for his approach to this whole task. I express once again my earnest hope that during this parliament a substantial advance may be made toward giving the native people the measure of justice of which they have been deprived in the past. I do

not for a moment doubt the good intentions of the minister in bringing forward this particular legislation. He explained it is for the benefit of the native people in that they may receive a greater share of the royalties. No one could carp or quibble about that good intention. Unfortunately, however, we need more than merely good intentions.

I find this bill to be very sweeping in its provisions. I agree with much that has been said by the hon. member for Peace River (Mr. Baldwin). There are few subjects more sensitive and important than the whole question of Indian lands, including mineral rights and gas and oil royalties. It is not only a sensitive, but also a highly complex subject. Before parliament takes the responsibility of passing this legislation, in my judgment there should be the most searching scrutiny.

In this bill I think I see traces of what I regard as paternalism on the part of the department, through the power of regulation, in respect of the control of these matters. I want to see a greater indication that the Indians themselves will be given a measure of management and control over their resources. We want there to be full consultation. I had a short conversation with the minister. I understand that before the government drafted this bill a study team, including the solicitor for the producing bands and the solicitor for the Alberta Indian Association, made some recommendations. I wonder whether such consultation is wide enough. Having been a solicitor myself, I know how busy solicitors are and how apt they are to keep these things to themselves. It seems to me full consultation means a little more than merely telling a few lawyers what this is all about and asking for their comments or recommendations. I wonder whether full consultation has taken place, because this matter affects not only the Indians in Alberta but a whole complex situation which stretches across Canada.

● (1550)

The hon. member for Peace River pointed out that clause 3 of the bill provides that certain regulations which are not specified or described—the minister did not tell us what was in them-are to continue as though they had been passed by parliament. But parliament has not passed them, Mr. Speaker. Parliament has not even seen them. I do not think we should agree to the proposition that something has been done by an act of parliament when such is not the case. Of course, in committee we can find out what the regulations are. I understand that most are designed for the protection of the native people and some are designed to give a measure of control to Indian bands. I do not want to go into the long unhappy history of our dealings with the native people, but I do want to know exactly what the regulations are. Should they not be subject to full consultation and the undertakings which I understand were given by the minister or his predecessors, namely, that no change would be made to the Indian Act without such consultation?

I understand that various groups of Indians across Canada are studying these matters with the assistance of scholars and researchers. One might wonder how we have reached this stage without consultation. Although the regulations are to provide protection for the Indians, they are only part of the legislation, so far as I can make out,

[Mr. Brewin.]

until revoked by the governor in council. If we have something that is protection for our native people, why should it be subject to change overnight? That is a question I should like answered if I were an Indian. I am not suggesting the minister would reduce that protection; I am just giving my opinion that the wording of the bill gives rise to reasonable suspicion.

I agree with the hon. member for Peace River also, that clause 4 gives the widest possible scope to the making of regulations. This, again, hands the whole subject over—without a hint that anybody is to be consulted—to control by the regulations. Everybody knows that the regulations are prepared in the department, and this bill continues that sort of control. It is interesting that only one clause refers to the band council. Clause 5(2) reads:

> The minister may, with the approval of the council of the band concerned, enter into a special agreement with any person for a reduction of royalties payable under subsection (1).

I thought the main purpose of the legislation was to increase the amount of royalties payable, not to reduce it. This is the only clause which contains specific reference to the approval of the band council. As the hon. member for Peace River asked, why is approval of the band council not incorporated into the other clauses dealing with what is basically the property of the Indians themselves? Clause 5(1) ends with these words:

> —payment to Her Majesty in right of Canada of the royalties prescribed from time to time by the regulations.

There is not a hint there of anything to be held by the Crown in trust for the Indian people. If that is the intention, why not say so and give an assurance to the Indian people that they will benefit? As beneficiaries, they can then assert certain rights which in my judgment they justly claim. The whole bill seems to ignore the sensitivities of the Indians, Mr. Speaker, and I think it must be changed in committee to make certain matters explicit. Let us make it clear that the royalties are there to be used. I can understand that in certain circumstances they should not be paid directly to the Indian bands concerned, but to the federal authorities. However, that principle should be made clear.

The bill is vague in other respects, Mr. Speaker. It has been asked how it fits in with the federal-provincial transfer act of 1930 which I understand applies in the prairie provinces and, in the eyes of the Indians, confers upon them certain explicit rights in respect of gas and oil. When they see this bill, containing power to do almost anything, will they not consider some of those rights lost to them? Such questions can be answered in committee to some extent, but I think they should also be made clear to parliament.

I would urge the government to seek a wide cross-section of Indian opinion before a bill so vital to their interests is made law. This party will be glad to co-operate in any way we can. It is important that, even with the best intentions, we do not add to the suspicion and feeling of paternalism created by such legislation. Sometimes the Indians feel they are kept out of the process of making basic decisions. I believe it is the minister's intention—it certainly is ours—to get away from the era of paternalism and dependence so that our native people can decide questions for themselves.

We have a new minister, and perhaps now is the time for him to point out to his officers just what he wants. He should ask that the act be redrawn to ensure that Indians and their band councils are consulted and their right to the royalties held in trust for them is stated in the legislation. He should ensure, with regard to the section which purports to provide that these regulations—which parliament has not even seen—are to have the total force of legislation passed by parliament, that parliament is fully informed of the intent of the regulations and that the Indian people know exactly the effect upon them of the legislation.

● (1600)

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I would like to say a few words about Bill C-15, an act respecting oil and gas in Indian lands.

This bill concerns me somewhat since there is an Indian reservation in my constituency following the troubles in the province of Quebec concerning James Bay, I think that the presentation of this bill is giving rise to some apprehension. I have always urged that the Indians be treated with equality and justice in Canada. Since my election to Parliament, when I look at some of the bills brought forward and at the role of the administration in some fields, I become even more apprehensive, Mr. Speaker. We keep saying that we should give back to the Indians their power of administration since we feel they are mature enough to administer themselves. This is what I believe, Mr. Speaker, but this is not what happens actually. I see a striking example of this situation every day in my constituency when I see the manager who is a white man administer the reservation as if it were his own. When he thinks that an Indian can injure or become as educated as he is, because some Indians are educated, he quickly drives him out of the reservation. I say "drive" because he is given a job 200 or 300 miles from the reservation at double or triple the salary he would get on the reservation to prevent him from influencing his people.

As for the others, the government hires them so that they cannot say anything about the administration of the reservation. In this way, the white men take advantage of the Indians on our reservations, and we accept this and think that it is a good thing. Nobody says anything, but the Indians keep protesting to no avail.

That is why I am warning the minister. I know he is still full of good intentions. Today, he brings forth a small bill, but I believe that small bill of a few pages will stir up a big discussion. With regard to the discussion that will and must follow, I am sure the minister will consult the chiefs of the Indian bands because legislation is being passed which concerns their lands.

Indeed, clause 4 says this:

> The Governor in Council may make regulations
> (*a*) respecting the granting of leases, permits and licences for the exploitation of oil and gas in Indian lands and the terms and conditions thereof;

The governor general "may". Therefore, he has the right to do so. I will not go as far as the hon. member for Peace River (Mr. Baldwin) and say that the band chiefs should give out those permits and licenses, because the government must retain authority in Canada, but he must exercise it democratically. It is not enough to merely say that the advice of the Indians authorities will perhaps be sought, that they will be consulted. Indeed, let us have worthwhile discussion with them, let us be sincere with those people as we should be with all Canadians.

I heard it said a while ago that the Indians were somewhat apprehensive whenever the provincial or federal governments were introducing bills such as this one. If I were an Indian myself, I would be justified in being apprehensive. Knowing how many times they have been taken in, I believe I would be concerned myself. That is why I am asking the Minister to be very cautious, to be extremely careful and to try for once, with his bill, to do justice to all Canadians including our native people, with the respect to our neatural resources, with respect to the expropriation of sections of their lands so that we will not have to use public funds, as was done concerning the James Bay project, to give those groups a chance to be heard in our courts.

Mr. Speaker, even if this bill does not amount to very much, I hope that when it is considered on third reading the minister will supply more information on it, which will enable us to vote in a more intelligent way, because the object of today's vote is to refer this bill to the committee for examination.

Actually, we do not accept the principle of this bill. We must provide for an agreement which is absolutely necessary if we want to undertake the development of natural gas deposits and the exploration of new oil reserves, because it will be absolutely necessary then to go through Canadian territory. But this should be done in all fairness and the owners considered as equals and given whatever they are entitled to.

[*English*]

Mr. Arnold Malone (Battle River): Mr. Speaker, may I take this opportunity to congratulate the Minister of Indian Affairs and Northern Development (Mr. Buchanan) upon his appointment. I am sure he recognizes, as do other members of the House, that he has accepted an important challenge on behalf of the people of Canada. What will happen with regard to Indian affairs in the next couple of decades will be most important to our country, as I am sure he is well aware. We hope that the minister's work will prove fruitful and will enable our Indian people to be integrated into the mainstream of Canadian life.

I shall preface my remarks by saying that the government has introduced this bill with good intentions. I commend them for that and for other good pieces of legislation of this kind. Our concerns regarding this bill have been referred to by previous speakers. I shall mention only one or two major issues. I am concerned about how extensively the Indian people will become involved in Canadian life as a result of this legislation.

It seems to me that for too long the government has played the role of foster parent to the Indian people, a role in which the Indian people have been subservient to government. I believe this bill intends to give them a better deal for their oil and gas royalties. Nevertheless, from my reading of the bill it is apparent that the government will decide the rate of royalty, when and where development

will take place, and so on. Consequently, the Indian people will still be left out of an important process, that of decision-making. If they are to fit fully into the mainstream of Canadian life, we must recognize that these people must participate more fully in decisions affecting their own lives. We can say this for sure: if there is one thing that must become an increasing part of government, it is to begin to think less and less about the rights of specific groups of people and to think more and more about the broader context of human rights. We see this bill brought forward again within the framework of some kind of "Indian" context. If we viewed it simply from a "people's" context, we would see that the need for putting these people into a greater decision-making role would then be necessary and brought forward.

● (1610)

We are about to enter into a period of increasing ferment among the Indian people. I believe we are going to enter into that period of time because those people in any society who are the most suppressed are simply not in the position to agitate or create ferment. It is only when you come close to breaking into the mainstream of life that real agitation and "boiling-over" of a society begins to take place. I am very suspicious that at this time in history we are about to enter into a period when the Indian people, because they have developed significant leadership within their own groups, are going to want more and more of the action. The problem is that we in this country have a very long tradition of government making the decisions for them.

I see the bill and this legislation as another example of the Indian people being promised greater benefits. That sounds good. However, they are not really being told that we are granting to them the privilege of making those decisions. That is what will resist a real upheaval; the granting of greater and greater degrees of responsibility to the Indian people. This bill looks as though we are saying to them, "This is the way we are going to do it today because it is the way we did it yesterday." This seems all right in the close context. However, if we extend it long enough, it in effect says, "We are going to do it this way because it is the way we did it 100 years ago". That is where the danger lies.

Indian people all across Canada have shown a great deal of leadership in the last decade. This should move the government to respond by extending to them a far greater degree of responsibility than is displayed in this bill. I would say essentially what is at hand is the question of self-concept. That is not a quality that anyone gives to someone else. It is something that people develop from doing. It is something that grows out of oneself when one feels he is worth something.

This is another bill in which the government says, "Let us make the decisions because we are going to make good ones." I feel very good about the intent of what they want to do. However, I am rather concerned that the real issue here in the development of the whole Indian society requires that they become a people who have pride in themselves. This means they have to accept a full degree of responsibility in the development of their resources and have more to say about the extent of the royalties and when the resources will be developed. When this bill goes to committee, and before it comes back for third reading, what ought to be considered is a much more extensive degree of involvement on behalf of the Indian people, in terms of the development of these resources. These comments are essentially singular to that point. While I agree with other speakers who preceeded me, my singular point is that this legislation, in its intent, is good.

When it goes to committee, it needs to be broadened in respect of guaranteeing to the Indian people that they will not only receive greater financial benefits from the government, but they will be guaranteed by government a much higher degree of participation. They must be guaranteed that government will be even more subsidiary to the native people's decisions, than the reverse. Even though it might grant them more financial gain, it will not give them the kind of psychological gain that is, at this period in history, the most important of all considerations.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, it is not my intention to delay the sending of this bill to committee. However, a number of comments have been made, and I want to make more, that ought to be made here and borne in mind in committee when the bill is sent there for consideration.

I find all amending legislation confusing. You get a bit of a thing which refers back to the main bill and then to orders in council. You have to assemble all the bits and pieces in order to create a whole piece on which to base any comment. I did that this morning. I scurried around. Thank goodness there is such a thing as a photocopying machine, because I was able to gather together all the various orders in council referred to here. I was then chased back to earlier orders in council, which I managed to find. That referred me back to the Indian Act. I managed to get the relevant sections of that act. I have them in front of me. It has turned out to be a very confusing assemblage of documents.

Even the Indian Act is seated on more complicated documents than just an act of parliament. It goes back to the incorporation of the provinces in confederation. In each of the incorporation acts of the provinces there is a provision covering Indian lands. They are not all the same. We have a great collection of documents that somehow or another we are expected to digest and deal with in six clauses in this brief bill and come to a resolution. I do not believe it is fair to the Indian people, who will be the main beneficiaries under this bill, that we do things in this way. If it is confusing to me, when I have all the facilities of this House at my disposal, to gather together these documents. How much more confusing is it to the Indians who are not here but are watching and will be following the debate to see what we are doing about what is theirs?

Some of those who spoke before me asked whether the Indians were consulted. That is one of the questions I wanted to ask. I hope the minister will answer that question. I am not sure whether the Indians were consulted in the preparation of this brief and confusing bill, because it seems to display— this has been mentioned by others, also, notably by the hon. member for Peace River (Mr. Baldwin) and the hon. member for Greenwood (Mr. Brewin)— a form of paternalism which has marked the attitude of governments toward the native people. I submit, for the consideration of the House and the minister in particular,

that this paternalism underlaid the events on the opening day of this parliament.

The new minister had evidence at the opening of this session that there was unrest. There is, obviously, unrest. Those manifestations were not made apparent simply for the joy of it. The minister has evidence that there is something seriously wrong. I hope we are embarking upon a new era of relations with the Indian people, approaching them in a different way, consulting them and having them take part in the administration of their own affairs. There are several bands in my riding. They are managed by able, competent administrators, people who enjoy the confidence of the membership of the bands. These are the people who must be consulted.

● (1620)

I should like to comment on one or two of the clauses of the bill. I notice that in clause 2 mention is made of Indian lands. Indian lands, we read, include lands which have been surrendered in accordance with the Indian Act". This led me right back to the Indian Act to find out just how it is that land can be surrendered, and under what terms. What is this about Indians surrendering their land? It is part of the paternalism we should, surely, be getting away from. Surrender is obviously only exercisable under the terms in which the Indian land originally came into the hands of the provinces, so we are left with the acts of accession of the provinces to confederation. Surrender could be in absolute or in qualified terms and involves some or all the rights attached to these lands—surface rights, subsoil rights, water rights, the right of passage, and so on. Are we sure these are the same in all the acts of accession of the provinces? I am not sure. These are questions which ought to be raised in committee.

The hon. member for Greenwood pointed out that the only reference to bands has to do with the case in which there is to be a reduction in royalties. I find this most peculiar. I wonder why there was no provision in the original regulations for determination of what the royalties should be—an increase or a reduction, whatever might be determined. We should look into this question a good deal more carefully. There must, of course, be provision for consultation with the bands. As to the word "surrender", once again let me suggest this is a word we must try to avoid.

I wish the new minister well. He is faced with a new movement among the Indian people, one which is likely to be extremely difficult to deal with. I want to assure him he can count on the co-operation of the party to which I belong, provided he takes the Indians into his confidence.

My hon. friend from Peace River has mentioned the uncertainty surrounding the validity of the original regulations, those of 1966. Clause 3 begins with the words "For greater certainty," and so on, and immediately refers to a number of subsections and section 45 of the Indian oil and gas regulations "expressed to have been made pursuant to paragraph 57(c) of the Indian Act." Well, 57(c) provides that certain regulations can be made. Why must this be repeated in the bill before us? Are these not valid regulations? I certainly hope they are, and I gather from the look on the minister's face that he hopes so, too. Because if they are not, we may be in serious trouble.

Later on in clause 3 we read that these subsections, and so on—

—shall for all purposes have and continue to have, until revoked by the governor in council, the same force and effect as if they had been made on that day—

In other words, on March 28, 1974, Mr. Speaker, I found that this order in council is simply an amendment to the original one. It says that subject to these regulations, the royalty on oil and gas shall be collected in such manner as may be prescribed by the minister. Here, again, we find the great patron of the Indian people. He is acting on their behalf, with or without consultation. I find this wording to be most unfortunate.

Just for fun, I compared the new regulations with the old regulations. I found that the provisions of clause 4 of the bill before us repeat some, but only some, of the articles of the original order in council. Why only some? Why does the bill not repeat the whole of those provisions so that parliament may know what they are, so that we, together with those who, hopefully, will benefit from the royalties may know exactly what needs to be done in order that the royalties may be collected. If hon. members read through paragraphs (a), (b), (c), (d) and (e) they will find a repetition of much of the original order in council which is published in volume 100 of part II of the Canada Gazette of July 27, 1966. I might just as well put that on record in *Hansard* because I believe it is relevant to the proper consideration of the bill before us.

In short, it seems to me this is an untidy piece of legislation. I do not doubt the minister's good intentions; I have confidence that he intends to go about dealing with the problems of our Indian people in the proper way. Nevertheless, I think he should have tidied up this legislation before presenting it to the House. In any case, the proposals certainly deserve to be given close examination in committee. I can assure the minister of the constructive comments and co-operation of members on this side of the House in consideration of this particular measure.

One comment which the minister made seems worth mentioning in my closing remarks. If I heard him correctly, he said something about Indian bands which had got to the situation where they could not make the rapid adjustments required over the last year in terms of the energy resources of this country. Why cannot they adjust rapidly, Madam Speaker? The rest of the world has had to adjust quickly. I suggest it is because of the paternalism of government. I think the government has inherited that paternalism; I do not blame the minister for it. I suggest they should be able to respond quickly, and through the consultative process they can be made to respond quickly to changing circumstances.

● (1630)

Like others who have spoken before me, I regret that this legislation, though in a better form and not in this untidy way, was not brought forward when the regulations were amended earlier this year. Then we would have been able to examine the complete bag of tricks. For example, I find clause 7 a little disturbing because of what I said about clause 5. We are expected to confer upon the government, which in all honesty has not shown the greatest devotion to the cause of letting the Indians help them-

selves—or for that matter, other people in this country, too—authority to fix by proclamation the coming into effect of a very important clause in this bill.

Therefore, the bill should go quickly to committee, where we undertake to give it honest and constructive criticism. But we want the Indian people to have a voice in this matter, and this may mean amending the Indian Act. If that is the case, let us do it.

Mr. Eldon M. Woolliams (Calgary North): Madam Speaker, it is much easier to speak to the House when you are in the chair: your presence motivates and encourages one, I can assure you.

Some hon. Members: Hear, hear!

Mr. Woolliams: I am happy to have the opportunity of saying a few words on this bill to permit the drafting of new rules and regulations relating to the oil and gas industry and the native people. For too long the government has caused uncertainty because it has failed to set out in a positive and concrete manner a policy respecting oil and gas and the interests not only of our first Canadians, the Indian people, but indeed all Canadians.

It gives me some pride to speak today about our first Canadians. When I entered the House I was the member for the constituency of Bow River, which at that time comprised part city and part country. In the area around Calgary were situated two reservations, namely, Morley to the west of Calgary, and the Blackfoot reservation to the southeast of Calgary. Both those areas were within the boundary of the Bow River constituency. Today, the Blackfoot reservation is in the constituency of Crowfoot, which is named after one of the famous chiefs of the Blackfoot reservation. Morley is, I believe, in the constituency of Rocky Mountain. This change resulted from redistribution. Palliser still remains pretty well in the former Bow River area, with the exception of the two reservations and the surrounding farming community.

Since I have been in the House of Commons, as well as all my life as a citizen of western Canada, I have had much to do with the early Canadians. I feel there is no more important task today than studying this legislation, which will give the cabinet power to make rules and regulations governing some of the resources on Indian lands which are not only within the jurisdiction of the provinces but, far more extensively, within the jurisdiction of the federal government. This legislation is extremely important to the economic and social welfare of our early Canadians. I do know what kind of language to use in describing their treatment, but they have been treated so shabbily in the past that we as Canadians should never boast about what we have done for our native people. If ever we have discriminated against a class of people, particularly since confederation, it is our early Canadians, and in many ways this discrimination is continuing.

Rules and regulations of this kind, which the government sometimes change overnight and change the name of the game, are important economically to these people, as I say. One has only to visit the two reservations I have mentioned to realize this fact. I hope I am not thought to be egotistical, but I am an honorary chief of both the

[Mr. Munro (Esquimalt-Saanich).]

Morley and the Blackfoot reservations. I was made an honorary chief of the Morley reservation just before I entered the House of Commons because I fought a trial on their behalf which was successful for their betterment. After I became a member of parliament I was named Big Beaver, a chief of the Blackfoot reservation. I know that this honour is also shared by another English-speaking Canadian who reached the height of being prime minister of this country, the right hon. member for Prince Albert (Mr. Diefenbaker). In both those bands he is an honorary chief. The Hon. Ellen Fairclough, who was minister of Indian affairs in the Diefenbaker government, was not only made a princess of the Blackfoot reservation but was also—you will appreciate this, Madam Speaker—made a chief of the Blackfoot tribe. I was at that very colourful ceremony. So it is with deep interest and feeling that I speak on this matter today.

Pages of rules and regulations are all very well, but the most important thing we should consider today is the creation of a national oil policy for this country so as to encourage development and exploration of petroleum and natural gas reserves to guarantee that Canada will always be self-sufficient in their supply. Unfortunately, under the present administration which was re-elected again in July, the policies we have had have done everything to discourage the development of petroleum and natural gas resources. Since these policies have discouraged exploration and development of these resources in parts of the country under provincial jurisdiction, then they will discourage them on Indian reservations and in the Arctic, on lands under the federal jurisdiction and control of our native people. That is why the first thing to consider is the development of a policy to encourage exploration.

There seems to be a feeling right across the country that it is a great sin to receive a reasonable return from development and exploration. I ask hon. members to remember that the oil industry is not like the competition that exists between little storekeepers. It is a very tough and competitive international industry thoughout the world. Unless tax and other incentives are provided for the industry, the industry will take its capital and drilling equipment and move elsewhere.

● (1640)

When I was at home last Friday I read in the Calgary *Herald* a headline and an article in relation to this whole situation. Calgary is a flourishing city which has contributed greatly to the economic welfare of this nation. It has done much to provide incentives and motivation in respect of exploration for oil and gas throughout Alberta. As a result of these incentives and encouragements Alberta has become the producer of 86 per cent of crude petroleum and natural gas in western Canada. The headline to which I referred is not surprising, as a similar article appeared in the *Financial Post* last year. The article reads that drilling rigs are now leaving Alberta in drowes and going to the United States. I suggest that in fact they are going to the United States, to Mexico and to areas in the North Sea because the economic climate is much better for the industry.

Let me emphasize that rules, regulations and legislation will not solve the basic problem in respect of incentives. In an article which appeared in the *Financial Post* over a year

ago, dealing with development in this industry as a result of the gouging of the oil and gas industries by the federal government without consultation with the provinces, we find reference to the implementation of a system of taxation totally inequitable and unfair to the industry. We suggested the same thing during the election campaign. I will not read the whole article, because of its length; but on June 15, 1974, during the election campaign my leader made a speech in which he made it clear that it is not equitable to have the royalties charged by the province or the federal government not treated as an expense subtracted from the taxable income upon which the federal tax is based.

When we analyse the tax structures of this nation, we read the economic reports. They indicate that no nation today takes a bigger slice of the taxation pie, particularly in respect of resource industries. Can you imagine the reaction of the manufacturing industry in Ontario or Quebec to a tax on the textile industry and a super tax charge on the first tax? It is tax charges on tax dollars. I suggest that everyone would scream, just as the people of Alberta are screaming about this tax which is totally inequitable and unfair. The minister knows about this situation, as he was raised in Edmonton. I knew his father. He comes from a very distinguished family. He knows as well as I do that to put a tax on the price and whatever profit is left, plus royalties, represents a federal tax on a tax. This practice is totally unjust and inequitable.

We have heard a great deal about foreign capital. About 90 per cent of the drilling industry in Canada is owned by Canadians, not Americans, Japanese or the British. Yet Canadian equipment, administration and know-how are moving elsewhere. I have never believed the stuff peddled by my hon. friends in the NDP to the effect that no more oil will be found in Canada. I suppose that in 1941 they did not think oil would found in Alberta. Let me suggest that only by developing and exploring do you find these resources. They still exist only if found. We still have the tar sands and we have found other oil fields on the prairies. We are still finding fields in the Arctic. These fields cannot be found if the companies pick up their tools and go elsewhere—and that is what they are doing because of unfair taxation.

The *Financial Post* warned the Liberal government a year ago about its being more interested in getting votes than in seeing development take place. Let me read one paragraph from this article, as follows:

> Klimchuk's company has just raised $3 million—$4 million in equity money in Canada and now is in the process of adding another $5 million in drilling-fund money raised in the U.S.
>
> "Under existing conditions we are planning to invest more than 90 per cent of that money . . . in the U.S."

The United States provides depletion allowances and incentives. That administration would never think of placing taxes upon taxes and royalties. The article continues:

> Almost all western oilmen prefer Washington's proposed method of taxing the industry . . . to the current Canadian system.

The same article reads:

> Hudson's Bay Oil & Gas Co., one of western Canada's most active oil and gas exploration firms, has just established a foreign exploration headquarters in Houston. The company's entire international exploration program, including a stepped-up U.S. operation, will be operated out of that centre.

We have heard a lot about the Home Oil Company in the last few years. Let me read this reference in the article:

> Home Oil Co., one of the largest Canadian independents, is presently looking for an exploration headquarters in Houston.
>
> "Recent events have certainly improved the relative attractiveness of U.S. exploration," Home president R. F. Phillips told FP.
>
> "There is no doubt that Canadian activity is going to increase there very considerably during the next few years."

I suggest that is because we have this present tax structure. The minister should get together with the Minister of Finance (Mr. Turner) and examine this whole matter of royalties in order that they may be written off as an expense against taxable income. Surely that is only equitable and just; and this is required if we are to save the day. The headline in the Calgary *Herald* points out that drilling companies are leaving Alberta and going elsewhere. There are still many areas in Canada which can be termed have-not areas. It is not so long ago that Alberta could not pay the interest on its bonds. Time passes quickly, and as a result of development in the petroleum and natural gas industries, and by increasing agricultural know-how, Alberta has become one of the three or four "have" provinces. This was not done by gouging the industry; it was done by providing incentive and motivation.

An hon. Member: Speak about the bill.

Mr. Woolliams: I am speaking about the bill. Obviously, the hon. member does not know what this is all about. He would like to have a pretty book of regulations. But what is the point of regulations in respect of petroleum and gas if the drilling companies quit their activities? If the hon. member can learn that, it might be helpful. That hon. member has always spoken with the same degree of mentality he has exercised today.

When talking about the subject matter of this bill, we are talking about jobs. If we encourage exploration and development on Indian reservations or in areas under the jurisdiction of our native people, we will be providing jobs. I ask hon. members what this would do for the housing and social problems of these people. They would find themselves with royalties that would swell their band funds.

We must examine the conditions under which our Indians now live. The problem was referred to at the opening of this parliament. Everything else we might do will be child's play if we do not do something for the Indian people of Canada. To begin with, let us give them the right to decide that people with know-how can drill on their lands. In this way they will obtain royalties with which they can get into housing and other areas and increase their standard of living. That is the important point I am trying to make.

The minister is travelling across this country talking with various premiers. Unless he can reach some agreement in respect of rules and regulations, what we are doing here is merely window-dressing. Parliament can legislate and look busy, but if it legislates in respect of something that is superfluous, then it means nothing and we are wasting our time. Let us consider what has gone on. In 1969, the federal government enacted tax legislation to increase the effective tax rates of the petroleum indus-

try. This legislation terminates, in 1976, automatic depletion allowances on production revenue.

● (1650)

In 1970, the federal government suspended portions of its land regulations, thus creating serious uncertainty for industry in these important exploration theatres. In 1973, the federal government imposed a crude oil price freeze and an export tax on crude oil exports. Let us consider that for a few moments. During the election campaign we heard a good deal about price controls. Most of our opponents forgot about that and wanted to talk about wage control. The whole incomes policy of the Conservative Party was criticized. Of course, that is what the election was about. The situation is that it seems to be wrong to establish prices on any commodity, although in western Canada it seems to be the practice of the Liberal government to set prices on wheat, oil and, at one time, on cattle. On April 23, 1974, long before the "funeral" took place, the minister dealt with this matter in the committee. He said that certainly they would have to take into consideration lumber and potash and, I suppose, other resources. They might have taken a look at them, but the only people who have had their prices set are those in the resource industries.

I know what industry means to the industrial might of this nation. It had to come to grips with a very difficult problem. Let us consider lumber. Lumber was priced high because of exports to Japan. There has been a falling off now in lumber prices, but nothing has been done about that, or about potash. It has been done just in respect of the industries on the prairies. This is what is called discrimination.

During the election campaign I moved around a good deal and had an opportunity to talk to people. I never found anyone in any part of Canada who would not agree that what is equitable for one part of this country should be equitable for all parts of the country. Surely, on the question of taxation alone, the government should give ground. The federal government on May 6, 1974, proposed in its budget new tax provisions for the oil industry. These contained the new feature of including in taxable income, royalties, surcharges, mineral taxes, and so on, payable to the provincial governments.

This feature alone would seriously impair the petroleum industry's future investment capability. Not only would it drive Canadian capital out of the country, but it would discourage any other capital to come in, because this is a very highly competitive industry. For every well which has proved successful in Alberta, I am told by top geologists that nine are found to be dry holes. Today, with inflation, the cost of drilling a well has increased five or six times. It is a very expensive operation.

If we can encourage development on Indian lands where Indians can enjoy the benefits, let us do so; but let us have some tax incentives in this country so that development can take place and so we will not kill the industry. It will not be long before we will have no crude petroleum or natural gas because of the policies of this government. If the Indians are to receive anything from the petroleum or natural gas, there must be pipelines. We have had the yo-yo program of the Liberal government for ten years. I have heard this and other Liberal prime ministers say they intended to build the pipeline to Montreal. It is not built. If there is encouragement, we have the potential to build the pipeline in Canada. It should be built so that there will be the necessary transportation facility for these products, to encourage production and so there will be a market in Canada for Canadian production of oil and gas.

[Mr. Woolliams.]

The great railway development brought the country together. Surely we have here another vision. The development of the pipeline would guarantee Quebec and the maritimes that they would always have sufficient supply of natural gas and crude petroleum and by-products, such as gasoline for automobiles, at a price which is equitable and similar to the price people pay for these products where they are found and brought out of the ground. We must give the Canadian people a chance. We must give the Indian people, who are the first Canadians, a chance so that their social and economic life and, indeed, their moral spirit is lifted; so that a new day will dawn in Canada for people who have been discriminated against for more than 100 years.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, I would be quite prepared to call it five o'clock and take the floor at eight o'clock, if it is the wish of the House to proceed to private members' hour.

* * *

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTION TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order. Before recognizing the hon. member, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Social security—Suggested payment of pensions to persons between 60 and 65 who are no longer employed; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Social security—Suggested amendment to certain pension programs—Government position; the hon. member for Central Nova (Mr. MacKay)—Public Service—Request for elimination of regional wage disparities.

[*English*]

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

PRIVATE MEMBERS MOTIONS

[*English*]

EXTERNAL AFFAIRS

SUGGESTED ESTABLISHMENT OF WORLD COMMISSION ON FOOD AND RESOURCES

Mr. David MacDonald (Egmont) moved:

That, in the opinion of this House, the government should take the lead in establishing a World Commission on Food and Resources, under the auspices of the United Nations, to compile a comprehensive and regular inventory of the existing world foodstuffs and resources essential for substenance; each nation shall be required to report annually (with quarterly amendments) on the state of its own self-sufficiency and on its ability to transfer key foodstuffs and resources to more needy nations; the Commission shall have the authority to transfer designated food and resources from member nations equal in amount to their expenditures on defence.

He said: Madam Speaker, this opportunity for hon. members during private members' hours is one of the most important rights and privileges extended to all members of parliament with regard to subjects which members feel are important in the conduct of public business. In the years during which I have had an opportunity to speak in parliament on a variety of subjects, I do not think any subject has presented itself as being of such major importance as the one chosen for my motion this afternoon.

At the outset may I say that I do not wish members opposite, or people anywhere, to think the motion I have presented is in itself the be-all and end-all of the problem to which it is addressed. I refer, of course, to the impending world food crisis which increasingly has become a matter of public concern, not only in those countries which are directly experiencing famine but also in countries of overwhelming affluence such as our own. We are increasingly realizing that this is one world. While some may live in affluence, many more may live in the degradation of poverty. It is no longer possible for us to ignore this fact. Eventually it will have an overwhelming impact upon us.

● (1700)

I am delighted that this motion was placed high on the list for debate, because all members will have a chance to discuss it now in the context of the world food conference which is to take place in Rome on November 5. While the motion is not directed solely to that particular conference, it is certainly the essence of the conference itself. This is the first time that the nations of the world, at the ministerial level, have agreed to meet and discuss the dimensions of the growing food crisis in this decade and to try to see what medium and long term solutions can be discovered. In the first instance, the proposal for the conference grew out of a meeting of non-aligned nations a little over a year ago and was encouraged by a speech delivered to the United Nations on September 24, 1973, by Dr. Henry Kissinger, who said:

The growing threat to the world's food supply deserves the urgent attention of this assembly. Since 1969 global consumption of cereals has risen more rapidly than production—

He could have said "since 1972". The growing discrepancy between the ability to produce food on a global scale, crop failures and recurring drought conditions have created an alarming condition. He went on to say:

Food and Resources

Stocks are at the lowest levels in years.

That is even more true in the fall of 1974. To continue:

We now face the prospect that—even with bumper crops—the world may not rebuild its seriously depleted reserves in this decade.

No one country can cope with this problem. The United States therefore proposes:

That a world food conference be organized under United Nations auspices in 1974 to discuss ways to maintain adequate food supplies and to harness the efforts of all nations to meet the hunger and malnutrition resulting from natural disasters.

That nations in a position to do so offer technical assistance in the conservation of food.

What we are faced with, Madam Speaker, is not just the continual question of occasional famines or shortages of food in one place or the other. We are faced with the most basic problem of all, which is not—as some people suggested recently—that there are too many people in the world, although population growth is a factor. It is not that there is any fundamental reason why the world cannot produce more food, although production increases will require unusual, innovative and bold schemes in order to be successful; and we cannot even say that there is an insufficiency of food aid, because aid alone will never be enough and food is wasted daily on a large scale, even in our own country. We can say there is maldistribution of much of the world's food supply at the present time. We must admit this is the case when we learn that the protein consumption of the average North American is five times that of the average citizen of India. We know, because figures have been quoted from time to time, that in North America we feed more to our cattle than the total cereal consumption of the populations of both India and China. We know, too, that we feed more to our pets than is fed to the populations of many countries.

In an article in yesterday's New York *Times*, headed "32 Nations Close to Starvation," Boyce Rensberger wrote:

In the judgment of United Nations experts, 32 countries in the world are so poor and so short of food that crop failures and the high prices of grain, fertilizer and petroleum threaten them with bankruptcy and their people with starvation.

Madam Speaker, I have not time to list the various countries and the average daily caloric intake which would indicate the low level of sustenance of hundreds of thousands of our fellow citizens on this planet. I would urge hon. members who can find the time, however, to read the article. The sources that I could quote to support the accusation of maldistribution of food resources are almost unlimited. Mr. Maurice Strong, a Canadian who is director-general of the United Nations Environmental Organization, spoke to the Ottawa Canadian Club in February of this year and said:

In one decade, 1959-68, the United Nations alone used more resources than all of the world's peoples in all of previous history.

I am concerned not only because the situation is bad, but because it is growing worse. It is growing worse because there are suggestions that the advantage that Canada now has, as a major food producer and exporter, can be turned to some kind of political advantage. Some hon. members may have seen an article in the *Globe and Mail* on September 23 written by the hon. member for York Centre (Mr. Kaplan) regarding President Ford's recent speech to the United Nations. The hon. member wrote:

The president's implied threat to withhold food from the Arab world as a lever in getting a reasonable Arab policy toward Israel and reasonable world oil prices could mean a totally new and powerful status for Canada in international affairs.

Later in the article he wrote:

It seems clear that Canada must agree with the goals defined by President Ford at the United Nations.

An hon. member suggests that agri-power is indeed the temptation that was laid before Canada and was clearly stated by the President of the United States. It is this kind of disturbing opinion that must alert us to the realization that if we are to deal reasonably, intelligently, humanely and with justice with this major problem, it will not be because we take a narrow view of the good fortune that Canada has known to date. I am concerned that we not enter into some kind of food politics game with the lives of men, women and children. It would seem to me that, in the first instance, we must be aware that some of the objectives we have been pursuing as a nation and as individuals will no longer be acceptable. Some of the ideals and hopes we have for the future of life on this planet will have to be tempered by the realities which are becoming increasingly clear to us.

I was extremely pleased and surprised, following the tabling of this motion, to read a report of a speech by Bishop Power of Antigonish to the fourth synod of bishops presently meeting at the Vatican. Speaking of the need for Canadians to take a new look at their own situation and responsibility in the world community, and urging Canadians to respond to that situation, Bishop Power said:

● (1710)

—we asked our fellow Canadians to question the goals of our wasteful economic system, to modify their affluent eating habits, to substitute other foods for meat, to give more generously to neighbours in need, to develop new educational programs leading to changed lifestyles.

Then he said:

But sharing by the private sector is not enough. We are asking our country, through its policy makers, to contribute to a world food bank.

I have not discussed this with Bishop Power. While the world food bank the bishop proposes may be different from a world commission on food and resources which I propose in this motion, its aims are the same. We both realize that we cannot depend on the capricious whims of nations and individuals if we are to resolve the growing food crisis. Interestingly enough, the bishop dealt not only with what is in the first part of my motion, but also with the relationship between defence spending and what we must spend on other areas if society is to survive. He said:

Disarmament should be accompanied by substantial transformation of the economic and political structures which generate these profound injustices. We should insist that the money wasted to keep peoples in chains be used to procure freedom and daily bread for all men.

At one time we heard the slogan, much in vogue, "Choose either guns or butter." I suspect that the peoples of the world must now choose between bread and bombs. If we are not prepared to make that decision, it will be made for us. Norman E. Borlaug, 1970 winner of the Nobel Peace Prize, said recently:

International granaries of food reserves, financed by all nations, should be established for use in case of need... Man can and must prevent the tragedy of famine in the future instead of trying, with pious regret, to salvage the human wreckage of the famine, as he has so often done in the past. Plans for international grain reserves have been put forward eight times since 1946, and each time they have floundered on questions of national sovereignty.

[Mr. MacDonald (Egmont).]

A plan on this subject is to be put forward at the world food conference. Its effectiveness will depend on what the government of the United States thinks, as the United States is the key to an agreement on world grain reserves. Dr. Marei, secretary-general of the Rome conference in November, has already proposed as an agenda item the creation of a world food authority with supranational powers. Only if we pay attention to the vision of such men can we avoid the prospect of a holocaust in the history of this planet. That is why, at a meeting in which the Canadian Council for International Co-operation participated in Ottawa, following a meeting of mor e than 70 non-governmental agencies concerned with the world food crisis and the world food conference, it was said:

Canada should support the creation of a world food authority, and that the voting power of the world food authority be on the basis of equal voting representation between donor and recipient nations in line with the UN declaration on the establishment of a new economic order.

We must remember this. Frankly, I am disappointed that the Secretary of State for External Affairs (Mr. MacEachen) and senior government officials have said so little about Canada's position at the conference which is to take place in just over two weeks. It is, therefore, important for members on all sides of the House to express themselves forcibly on the aims of the conference which, I submit, is bound up with the substance of the motion I have put forward.

What will be the most effective way to help? What will be the most acceptable instrument? Obviously, the government will not be influenced by members of the House alone; it will be influenced by public opinion. Frankly, I think the government will face difficulty in moving forward in this area owing to lack of informed and public discussion in this country on the topic with which we are concerned.

We can no longer follow our suicidal priorities which put armaments ahead of food. In this connection I wish to quote the words of Robert McNamara, former secretary of defence of the United States, who said:

Surely one of the most foolish follies of man all through history is his almost incurable insistence on spending more energy and wealth in waging war than in preventing it.

Mr. McNamara is now president of the World Bank and a leading figure in seeking solutions to the world food crisis. Members on all sides of the House who are concerned about the problem will realize that we need imaginative solutions. By itself, the problem will not go away but will become incalculably worse. When I was preparing my speech this afternoon I looked at some figures and learned that approximately 14,000 people are starving to death each day—two-thirds of them children. Further research has revealed the figure to be in the order of 40,000 a day. Actually, we do not know how many are starving to death, how many succumb to the most unacceptable disease brought on by lack of the staff of life.

I invite all hon. members to support this motion, and I urge the government in the strongest terms to allow full discussion of this question in the Standing Committee on External Affairs and National Defence.

● (1720)

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, the hon. member for Egmont (Mr. MacDonald) dealt with a most relevant issue in presenting a motion on the problem of food in the world.

The motion contains many points such as a request that the countries report on their level of autonomy. Experience teaches that some countries, mainly developing ones, cannot or do not want to make such reports. The transfer of food and resources is already regulated by international arrangements like those existing now such as the World Food Program. Canada has a tradition of opposing the creation of new international institutions, particularly when such institutions exist and seem to be able to do the work. The FAO is now studying a project on world food security. One important aspect of this document concerns the establishment of an information system on food, the main goals of which are to collect, analyse and disseminate information on the grain overall situation and forecasts. At the present time, Canada is providing the FAO with information concerning our production and stocks. We have indicated our intention to continue to provide this information through the world food information system.

A World Conference on Food will be held this coming November in Rome. A number of suggestions made by the hon. member will be examined on this occasion. Canada is one of the main producers taking part in the World Food Program. The Canadian contribution to this program since 1963 amounts to $131 million. Canada is the biggest supplier taking part in the World Food Program. For many years, Canada has held enormous stocks of grains.

One cannot ignore the impact of this motion on prices and trade. Farmers alone cannot be expected to help poor countries; our society as a whole must participate in this endeavour.

Perhaps it might be more useful to support measures aiming at increasing production within developing countries, thereby reducing their dependency on food aid.

Mr. Speaker, one needs but note the number of times the matter was brought up in this House, the attention it was given by the media, and the preparations launched into by international organizations, governments and private concerns for the coming World Food Conference, to become aware of its importance. The hustle and bustle reflects the increasing concern of the international community in this regard. Many are those who wonder how the rapidly increasing world population will manage to feed itself.

Reflecting on the matter of world food reserves, the hon. member for Egmont draws our attention to one of the main aspects of the current discussion on food problems. Like my colleague, Mr. Speaker, I feel it would be desirable to improve the world food situation information system. I would like to add to this, however: that system is a fundamental element of a much greater problem, that of "world food security" which consists mainly in keeping world food reserves at an adequate level. Improving the information system is closely related to the need for an efficient cereal reserves system, as well as to those in the fields of production, consumption, price setting and international trade in basic agricultural products.

The Minister of Agriculture (Mr. Whelan) spoke of this complex network of problems, of the difficulties in finding easy solutions, in his address to the FAO conference almost a year ago. He said, and I quote:

"The world Food Security Proposal made by the Director-General is the result of the short world food supply. It is designed to lead to relative stability in the cumulative production, pricing and stocks of food around the world. These levels are intended to vary with need as estimated by consultation among nations. The proposal suggests food stocks could be much better dispersed in all countries rather than be held by a few major producers. The Director-General also stresses the voluntary nature of participation and the need for better information.

Canada has already gone on record urging every nation, not just those who are traditional surplus food producers, to support and cooperate with FAO in this task. Importers as well as exporters have both a concern and a responsibility. The question of adequate grain inventories is of major concern to Canada. We have, for a number of years, carried at our expense approximately 40 per cent of the total world wheat reserve. We are prepared to move in the direction of a food security scheme, but we have found from past experience that some nations are reluctant to share costs for maintaining reserves, let alone the costs of having too large reserves looked upon as surpluses overhanging international markets and pricing farmers out of needed regular increased production.

A storage program is desirable, indeed it is a necessary feature of trying to maintain a world food supply."

The proposal—that is the proposed world food security action plan—made by FAO Secretary General Boerma, to which my colleague referred, deals with all the aspects of the problem of world food security. In substance, it proposes that the governments of member states pledge cooperation to ensure at all times an adequate supply of basic foods, particularly grain, to avoid serious food shortages in case of bad generalized crops or natural catastrophes, to allow a continued increase in production and reduced variations in both production and prices.

Furthermore, member states recognizing that food security should be ensured in many ways, especially by reinforcing the farming capacity of developing countries, by appropriate national stocking policies, food help programs and other action, including long term trade agreements. They promise to take national and international action to encourage fast growth of food production as required, and to give special help to developing countries, which are very exposed to crop variations and face increasing consumer demand.

● (1730)

On the other hand, as concerns the stocking policy, it is recommended that all governments, in accordance with their institutional and constitutional requirements first, implement a grain stocking policy which takes into account those of other countries and ensures minimal reserves of major grains at the world level, second, review or establish stocking objectives, or take action in this area, to maintain their grain reserves or those of groups of

countries, at least at the levels judged necessary, so that an uninterrupted supply will be ensured, including in emergency situations brought about by bad crops or natural disasters, third, take the necessary action for the stocks to be replenished as soon as possible following shortages, when they have fallen below established minimums.

Finally, the suggestion specifies that in the case of serious food shortages, the member states that have larger reserves than they need to meet national needs and emergency supplies will make a commitment to authorize exports at reasonable conditions.

These various approaches to the problem of world food security are striking in that they recognize the complexity of this problem, Mr. Speaker. There are no simple answers to this problem. On this point, I do not agree with the hon. member for Egmont. He suggests that a new organization could resolve at all the problems together by maintaining a satisfactory level of food supplies and by ensuring the transfer of these supplies to the most needy areas.

But how would these transfers be made? What effect would they have on international trade agreements or on present methods of food assistance distribution? How could we assure the Canadian farmer that he will continue to receive an appropriate price for his products? And who would pay for these products?

The Minister of Agriculture knew about these complications when he said, and I quote:

—-farmers must be enticed and encouraged to steadily greater production by the assurance that they make a reasonable living. Canada has the most efficient farmers in the world. Their efficiency has increased far more rapidly than that of our industrial sector. Yet even they need a paying reward and security of income if they are expected to increase production for world-wide use.

And Mr. Whelan, concerning the effect that surpluses might have on world markets, added:

Canada can also support the need for assistance to developing countries to facilitate the desired adjustments. But Canada also supports the need for action and policies to deal with world surplus conditions that ruin the structure and investment, the very basis of a guaranteed growing supply of food around the world. Nowhere in the world can producers be expected to risk either investment or a lifetime's labor to have it cut from under them by short time surpluses. The result is a stagnation of production potential.

The report of the third session of the preparatory committee of the World Food Conference suggested something along the the sames line:

Most delegates have agreed that if trade is to fill its role it must maintain free and ordered movements at stable prices and ensure, at reasonable prices, a market for exporters and a supply for importers.

The committee also remarked:

—that it is essential that the main producing and consuming countries adhere to the suggested plan of action so to fully attain the objectives of world food security.

The committee also acknowledged the need to solve certain practical and technical problems so that the action planned might be efficient and it expressed the hope that those solutions might be elaborated by the appropriate intergovernmental agencies of the FAO.

It was agreed that, given the present shortage, food reserves must be made up gradually so as not to disturb the market. The creation of food reserves will be insured only if a suitable balance between supply and demand has already been achieved. The necessity of providing financial and technical assistance to developing countries to help them create and maintain food reserves was also pointed out.

Mr. Speaker, I should like to make a last remark before concluding. Suitable trade agreements, distribution of food assistance, a system of reserves, stocks, all that is not enough to ensure world food security. We must also give much greater attention to the agricultural development of the countries that are in the greatest need of food stocks to feed their huge population. Besides, it was mentioned in the Boerma proposal that the essential interest shown in this endeavour by the developing countries, in order to achieve the objectives of a world food security, requires guarantees as to sufficient grain stocks and accordingly an accelerated growth rate of their agricultural production. Such an increase requires on the part of developing countries a continual review of their agricultural program and of the various alternatives available to them, and implies as well the active support of the international community to the development programs of those countries within the national development program of each.

The international organizations concerned, working in financial and technical sectors, the developed countries and other possible donor countries should most urgently take the necessary steps to enable developing countries to get financial, technical and material aid, particularly fertilizers and other elements that are essential to the increase of their agricultural production. The proposal goes on in these terms: The international community must make an important contribution, through low rate food and financial assistance, or through subsidies, in order to maintain grain supplies in developing countries, particularly emergency supplies, at their proper level, to determine what supply facilities are best according to local situations, and to provide advice on storage problems and related policies within national development programs. Developed countries and other possible donors, as well as the international and regional development organizations concerned, should contribute complementary help to the identification and pooling of resources required to meet those objectives.

Mr. Speaker, I think we should consider several solutions. There has been to date considerable studies indeed in preparation for the FAO conference to be held in Rome. Should grain producing countries store sufficient amounts of grain for future needs, or should every country be required to provide for its own needs and store at least enough food for a year's consumption?

Mr. Speaker, it was my honour and pleasure to attend FAO meetings in Rome last October, and I was amazed by the amount of technological help developed countries could contribute. I heard speeches by representatives of some countries on the question of food. They even said the stage of "harnessed" agriculture had not yet been reached. We can therefore imagine how underdeveloped countries, which have not yet reached that stage of "harnessed" agriculture, may grow their own food.

Mr. Speaker, we should put the emphasis on the possibility of helping the developing countries in technical terms to improve their situation in that area and become eventually self-sufficient in respect of food.

Mr. Speaker, after all those thoughts, I find that a lot more aspects must be taken into consideration before we could be prepared to set up a concrete world food program.

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to commend very warmly the initiative of the hon. member for Egmont (Mr. MacDonald) in introducing this subject. It is one of profound importance. The crisis is a very real one and Canada's opportunity to make an important contribution lies before us, particularly in connection with the World Conference on Food in Rome which the hon. member mentioned.

I agree with him there is a sort of insanity attached to our choice of priorities. When I was at the conference in the Chateau Laurier the other day we were told by a knowledgeable gentleman, I think it was Mr. Jackson of the FAO, that a substantial program for increasing food supplies in the developing countries could be put under way for roughly $5 billion. Although $5 billion sounds like quite a lot of money, the world today is spending over $200 billion a year on armaments. I suggest that a world that cannot look after its basic food needs but devotes enormous sums to armaments is a world in which priorities have gone very far astray.

● (1740)

In bringing this matter forward I think the hon. member has done us a great service. I do not propose to discuss the details of his motion. I am not sure that the word commission pleases me very much, because it seems to imply more inquiries. I suspect that what is needed is not so much a commission of inquiry; FAO, for one organization, is extremely well informed of the facts. What we will need will be more action.

The other day Dr. Waldheim, Secretary General of the United Nations, in answer to a declaration by a number of scientists that was brought to his attention, said that basic food was the one essential, undebatable core of a life of dignity and decency. He also added that all aspirations for peace, growth, creativity and social justice, of individuals as well as of nations, would have a hollow ring unless we grappled with the problem of meeting basic food needs.

This is not really a new problem. There has been malnutrition in the world for some years. One can throw around figures like 460 million people suffering chronic hunger and malnutrition. But, apart from this, the recent drop in food reserves brings into the realm of likelihood, if not probability, vast loss of life through outright famine in different parts of the world unless adequate steps are taken to prevent it.

I will not go into all the things that should be done; this may be the job of the conference. The hon. member for Egmont mentioned setting up a world food bank, and it seems to me that this is an essential part of the machinery. The hon. member referred to a world food authority. I do not think it matters whether you call it a bank or an authority, but it should be internationally managed and given the means to do the job. I think that is one of the first prerequisites.

Another is to recognize that the greatest contribution to alleviating the food crisis throughout the world is to enable developing countries to expand their food production. In the developed countries like Canada perhaps there are some things that can be done and should be done, and whatever we do should take into account the interests and rights of the farmers who are the producers of food. But it is in the developing countries that there is the greatest opportunity to increase food production through technological changes, changes that we have already made and which could be made available to these other countries. Of course, what is useful under Canadian conditions may not be very useful in India or Bangladesh, and research will have to be adapted to different countries in which it is sought to increase food production.

Research should be vastly expanded. We need a crash program to increase the supply of pesticides and fertilizers. One of the reasons for the present food crisis is that the price of energy has put fertilizers and pesticides beyond the reach of many farmers and producers in developing countries.

Food aid is not enough. It is helpful and may be absolutely necessary, but in itself it is not enough. If food aid is to be viable it must complement our trade policies and enable developing countries independently to achieve economic growth within their own borders.

In an extremely eloquent address to the Canadian Jewish Congress on June 25 the Prime Minister (Mr. Trudeau) said something that I think is very appropriate to this debate. He said that he hoped that Canada's presence in the world would be judged by its humanism and pursuit of social justice. He said Canada's foreign policy would be meaningless if this were not carried out, as it would not reflect the character of Canadians. He then referred to the Elizabethan poet John Donne, who said that "every man's death diminishes me". The Prime Minister added that this quotation should guide our foreign policy as it guides our domestic policy. Compassion, the Prime Minister stated, must have no geographic focus, nor must our geographic efforts have geographic limitations. With these words I believe all members of the House can agree.

We must put this into practice and use what influence we have, not, as the hon. member for Egmont said, with the desire to gain political advantage for ourselves, but to help out, in a spirit of brotherhood, the cause of humanity.

I think I have indicated as clearly as I can our deep concern about the subject raised by the hon. member. I hope that the government of Canada will take the matter extremely seriously. We are pleased to hear that the minister was thinking of going to Rome as our head delegate. I hope he will take some members of parliament with him, perhaps from different parties, as well as some non-governmental representatives. I say so because I do not think this is a matter just for the experts and bureaucrats; this is a matter in which the generosity and goodwill of the Canadian people should be challenged, and I believe they will be challenged. I know many Canadians who already are deeply concerned and who will be watching what we do at the conference with the greatest of attention, trusting we will live up to the opportunity afforded to us.

I suppose it is optimistic to think that this motion is going to pass. It does not seem to be the usual habit in this House to pass motions between five and six o'clock. But I

wish it would pass, because then the government would receive the message from parliament that we give the highest priority to the subject under discussion.

Mr. Maurice Foster (Parliamentary Secretary to the Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member for Egmont (Mr. MacDonald) has put before the House this afternoon a very important motion, one that concerns all of us, namely, the critical issue of world food supplies. There can be no doubt that the spectre of starvation and hunger on a massive scale now seems closer than it has been for many years or, perhaps, than it has ever been. Not only are we in Canada deeply concerned at the possible plight of millions in many parts of the globe; attention all over the world has become focussed on the world food crisis to an ever increasing degree.

No fewer than three international organizations have held, or will soon be holding meetings to review the urgent world food situation. From October 20 to 26, the intergovernmental committee of the World Food Program is holding its twenty-sixth session. From November 18 to November 29 the FAO Council will convene its 64th session in Rome. A few weeks ago the preparatory committee for the World Food Conference held its third session. And, of course, the most important event of all, the World Food Conference, will be held in Rome from November 5 to November 16. Canadians are involved in all these discussions and, indeed, there will be a high ranking Canadian delegation attending the World Food Conference. The minister indicated in the House a few weeks ago that he was considering attending the conference himself.

● (1750)

The hon. member for Egmont has mentioned some specific measures on this subject. He has suggested that all the countries of the world should report annually on their food resources and food needs, and he has put forward a formula for the transfer of these resources from the "have" to the "have not" countries.

Moreover, he has suggested that this House express itself as being in favour of establishing a new international organization to oversee these tasks, which he would call a "World Commission on Food and Resources". The hon. member has not been the only one to suggest an inventory of world food resources. Indeed, he is in the best of company. The draft International Undertaking on World Food Security endorsed by the FAO Council in July 1974—commonly known as the "Boerma Proposal"—has this to say:

> The effective functioning of the world food security system will depend greatly on the availability of timely and adequate information.

Mr. Roche: Mr. Speaker, I rise on a point of order, seeking the indulgence of the hon. member for Algoma (Mr. Foster) whom I have just interrupted. In view of the fact that I was late coming to this debate because of an aircraft delay I should like to ask whether it is his intention to talk out this motion, or would he be prepared to yield the floor to an hon. member on this side who would like to speak very strongly in support of it?

Mr. Foster: Mr. Speaker, you recognized me and I intend to put as many of my remarks on the record as possible. I think the procedure is to move back and forth across the House, and that is exactly what we have done.

[Mr. Brewin.]

Let me return to the quotation as follows:

> The effective functioning of the world food security system will depend greatly on the availability of timely and adequate information. Government members of FAO should furnish to the Director-General on a regular basis all the available information on national stock levels, government stockholding programs and policies, current and prospective export availabilities and import requirements for cereals, and relevant aspects of the supply and demand situation, as well as on assistance provided to the food production programs in developing countries. Other governments should be invited to provide similar information. In order to avoid unfavourable market repercussions in particular, the Director-General of FAO should ensure, where so requested by a government, that the data supplied by that government to the information system are made available on a restricted basis only to the governments adhering to the undertaking.

This report went on to say:

> To keep all governments directly informed of current developments in the international cereals position during periods when world supplies are scarce the Director-General of FAO should prepare, on a quarterly basis or more frequently, concise factual appraisals of the situation and outlook which should be circulated promptly to governments.

It continued:

> In the assembly and analysis of information and statistics, the Director-General of FAO should seek the assistance of the International Wheat Council and other intergovernmental organizations concerned.

At the same time the Japanese proposed that there be a global information system on the world food situation. Had there been such a system, according to this proposal it would have been possible to avoid, or at least to attenuate the grave situation which the world has recently experienced. In view of the uncertain prospects as regards food supplies, there is an urgent need for a more comprehensive and global information system.

The Japanese proposal continued as follows:

> It is noted that one important function of FAO, IWC and other international organizations is the collection and analysis of worldwide information on food and agriculture. These existing information functions should be further improved and strengthened for the reasons set out above. The proposed information system is designed to enhance the usefulness of the information collected by the various existing institutions (FAO, IWC, WHO, etc.) through coordinating their information activities and thus making information available to this system and enabling it to compile such information in a comprehensive and integrated manner.

Acting on this proposal the preparatory committee for the World Food Conference agreed that there was an urgent need for establishing a worldwide food information system to strengthen the implementation of world food security and to promote marked stability in a constantly changing food and agricultural situation. It felt that the main features and objectives of the tow proposals were essentially similar and complementary, and that it was desirable to combine them. It was noted that the nucleus of a food information system already existed in FAO, and that other international organizations, such as the International Wheat Council, also collected useful information on food and agriculture.

There was support for building on these existing information arrangements. The global food information system should aim at identifying countries or regions where acute food shortages were likely to arise, at monitoring the

world food supply-demand situation in order to help governments to take prompt measures, and at contributing to the efficient working of the proposed international undertaking on world food security.

The committee felt that the food information system should also assemble, analyse and disseminate comprehensive and timely information on the situation and prospects of main crops and livestocks products, export availabilities and import requirements, supplies of agricultural requisites, particularly fertilizers and weather conditions, including, as far as possible, forecasts. Many delegates stressed that full and active participation in the information system by all countries, particularly those which were major producers, consumers and or traders, was essential for the effective functioning of the system. The committee recognized that technical assistance would be required to build up national food information services in developing countries. Several delegates stressed that some of the information provided by governments might be sensitive and would need to be used with care and discretion so as to avoid speculative activities which would disturb the markets.

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the hon. member but the hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock this day.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

INDIAN OIL AND GAS ACT

MEASURE RESPECTING LEASES, LICENCES AND ROYALTIES

The House resumed consideration of the motion of Mr. Buchanan that Bill C-15 respecting oil and gas in Indian lands, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, I know the minister wishes the bill to receive second reading and to move on to the next stage so I shall bring my remarks directly to the point.

Before I begin my few observations I wish the minister would remember what the honourable member for Calgary North (Mr. Woolliams) was saying because he was enunciating a very simple economic truth, namely, that we all hope the Indian bands will be fortunate in finding oil or gas underneath their reservation lands, but that possibility would not exist unless there is a viable drilling industry available to do the work. This is all part of the wider oil and gas play. I shall not say more about this because the economic truth of it is self-evident.

The two points about which I wish to speak are covered by phrases which may be strange to the minister but I hope will not remain strange too long. I refer first to front-end loading, and secondly to the technique of sharing with the Indians. Front-end loading is a device that has cost the Canadian people very dearly in connection with their resource industries, particularly oil and gas.

Front-end loading is simply the natural desire of a provincial or federal government to obtain as much in tax revenue as possible out of industry at the very beginning, even though it can be shown quantitatively that if the provincial and/or the federal government were to lay off that industry in the years of its capital pay-out there would be more money for the people on whose land the oil or gas well is situated, and also more money for the provincial and federal governments.

To put it very simply, if one examines the history of the oil and gas pools of western Canada one will find, say, a typical oil pool with X number of barrels in it whose capital cost of development would run between $600 million and $900 million. Of that amount of $600 million to $900 million, an amount of $400 million to $700 million would have been in the form of front-end loading charges imposed on that industry by greedy governments trying to pluck the goose before it was ready to lay the egg.

Another way of putting it is that the resource industries, including oil and gas, are capital intensive, and the larger amount of the dollars required to handle the development of those industries is the capital cost. So, if governments could hold off in respect of the front-end loading charges, and made certain a company received no money out of it either until the capital costs were repaid, there would be more money for all those wishing to participate in the revenue or rent from the resource being developed.

The principle of front-end loading has been traditional on the United States oil and gas scene for many years. In Canada we have copied the United States system. We have front-end loaded our industry. The only winners when companies have to borrow all this capital are the money lenders because the individual company has the longer period of pay-out. It is being milked when it should be devoting all its revenue toward paying back the capital cost.

Front-end loading takes the form of lease fees, permit fees and those wonderful "bonus payments." Every time the government thinks it is doing a wonderful job, it actually is destroying the capability of oil fields to pay an extra dividend to the owners. I shall not say much more than that, except that in the federal oil and gas regulations as applied to federal lands, when first published in 1961, there was a government in Canada which did without this front-end loading and said to the oil gas companies that it would not charge them anything.

Then the government said that in return for not charging them anything at the permit or exploration stage, when the lease stage—which is the ownership stage—was reached, the government wanted two things. The first was Canadian ownership of the developing company. This can be found in the federal regulations dealing with all lands except Indian lands. I ask the minister to consider that as an option which he should have in the regulations he promulgates for the handling of oil, gas and minerals on the reservations. He will find those provisions are very fair.

Secondly the government of 1961 said to the oil and gas companies that when they explored in territories and offshore, since all the front-end loading had been taken off, instead of getting 12 per cent, 13 per cent or 17 per cent royalty the government wanted something in the order of 60 per cent. The government said that, and got it. If you take the heavy load of paying for the big capital input off the shoulders of companies in the early stage then, when the capital input is paid off, they are well able to pay these higher royalties. It can be proven quantitatively that they get more money out of their investment, and the owners of the oil resource, the people of Canada, and in this case the Indians, will get more.

I am not giving the minister a great Sunday school lecture on something we did that is good. I am simply saying our history shows that in the provinces we did something that was bad and we are paying heavily for it today. The federal government in 1961 tried to do something more moderate and good, but we have not had the big finds that would quantitively demonstrate how, if it had followed those regulations through, the people of Canada would have got much more out of them percentagewise than out of the front end loading technique.

● (2010)

I hope the minister will forgive me for having gone over this bit of history, but he is looking at a person who stayed out in the wilderness for many years and watched this debauchery and robbery of our resources. This was not done so much by the companies as by the moneylenders who got control and, over the long period that the loans were being paid back, got the greater bulk of the value of the oil and gas into their own hands instead it going into the hands of the entrepreneurs, and particularly of those people who owned the oil and gas reserves.

This is the crime committed in the last 25 years against the people of Canada, mostly in the lands that belong to the provinces. Now we have a chance in our northern lands, our offshore areas, and on Indian lands that are under federal control within the provinces, to avoid that mistake. I would ask the minister to read the original regulations and he will find the philosophy and principles are sound. I could of course suggest several modifications today that would allow for new developments. To my knowledge there is only one person in the public service of Canada today who understands that philosophy. He helped me draft the regulations, and I think it would be worth the minister's while to search for him. He is now at a high level in a different department.

This second point is probably the most difficult moral problem of all. The lands we gave the Indians were theirs to enjoy all the fruits of those lands, whether rabbits, grouse, oil, gas or minerals. That was a moral commitment by those who took the lands from our first Canadians, in effect, by force. They were guaranteed that as long as the moon shone and rivers flowed, the land was theirs. The oil, gas and minerals mentioned in the legislation do not belong to the people of Canada—they belong to the Indians—period. The minister is the only person who can protect the Indian ownership of wealth inside the reservations.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

The problem will be more difficult in the territories because of the lack of treaties and reservations. I would hope, however, that any government response to the moral obligation that our grandfathers made in giving the land and the reservations to the treaty Indians would realize that the same principle, in some modified measure, has to be applied to the non-treaty Indians. If the minister is to act as trustee he would be wise to hold down the front end loading so that in the end there will be more money to go to the Indians themselves.

These are non-renewable capital resources that will last only another 15 or 30 years, depending on whether they be oil or gas, depending on all the physical conditions that make a reservoir or mining deposit. According to the experience of our predecessors, when you are selling your capital, that capital should not be considered as income but as capital wealth to be invested. The only money that should go to the Indians in trust is income from the capital fund. It will probably be 15 or 20 years before the resource is depleted completely, and the revenue collected in that time should make a rather large fund. The income from that fund in perpetuity would be very important to future generations on the reservations.

There are many precedents for this, Madam Speaker. In the provinces governments sold off land for school purposes. In the prairies, two sections out of 36 were set aside for education. The money was put into trust funds and the educational system—certainly in the thirties—was financed almost entirely by revenue from those capital funds. Government after government in the three prairie provinces followed this practice, and none has betrayed what was done there over 70 years ago. These school land trust funds are still providing money for the educational system.

I think it is fair to say, that over the years all political parties in this House have acknowledged that we are guilty of great crimes against our first citizens. We must begin to correct those crimes committed in the name of expansion and advance. All political parties would, I am sure, support this.

All past ministers in charge of Indian Affairs in this House received support from all parts of the House because they all wanted to do the right thing for the Indians. This is still the case, and I am sure in this debate the minister has sensed a willingness to support this measure. We all know his difficulties which are almost beyond human solution. Although his predecessors tried to the limit of their strength and ability to resolve the problems, they are still there. Hopefully we can come closer to bringing justice to our first citizens, without being sentimental about it, but being realistically and morally proper. I hope these ideas strike the minister as worth while, and that he will take them under consideration.

Mr. Howard Johnston (Okanagan-Kootenay): Madam Speaker, I should like to contribute a few remarks this evening on the bill before the House. I represent a constituency that has a variety of Indian reservations in it, but as yet neither oil nor gas has been discovered there to my knowledge. But one never knows what might happen, with continued searches and continued fuel shortages.

As I read the bill I was reminded of an experience I had when first elected to this House. A very elderly mining engineer who was interested in developing a mining property spoke to me in highest terms of its possibilities. It sounded like something to gladden the heart but there was just one drawback; it was sited within an Indian reservation on Indian land. After listening to his glowing description I wondered why it had not been developed up to that point. I investigated, and came across the agreement that had been signed by the province of British Columbia and the federal government regarding mining development on Indian lands in British Columbia. It was easy then to see why no reservation in British Columbia would be wildly excited about having anyone develop a mining property. At that time Indians seemed to lose effective control of anything below the surface of the land the moment development started.

As I read the bill some questions came to my mind. On page 2, clause 4(b) reads:

The Governor in Council may make regulations

. . . .

(b) respecting the disposition of any interest in Indian lands necessarily incidental to the exploitation of oil and gas in such lands and the terms and conditions thereof;

● (2020)

That sounds heavy handed. I sometimes wonder why those who draft government bills use such language. It seems to me that this bill is lacking in specific reference to the Indian peoples. The hon. member for Greenwood (Mr. Brewin) has already pointed out that clause 5(2) contains the only reference to band council. I wonder why clause 4 did not provide for some specific role for band councils. Why is it worded in language which suggests the federal government alone can make dispositions which it feels desirable with regard to oil and gas on Indian reservations?

I know that those preparing a bill always say, "Of course, this is the legal way of preparing it, but it will be interpreted differently". We find over and over again that, once a bill becomes law, it is interpreted sometimes in a startlingly legal and narrow way, and not as it was suggested it would be interpreted. I hope that will not happen here.

If I were a member of an Indian band who suspected there might be oil or gas on my reservation, I would be concerned about the wording of this bill. I also wonder about the complexities in distinguishing private ownership and band ownership of land on Indian reservations. This bill does not deal with this sensitive area. It does not sort out who has control and jurisdiction on reservations in this matter.

I hope that during committee study of this bill we will hear from a large variety of people, and from those representing the Indian bands themselves. I hope we will not see a repetition of what happened in the committee studying grain handling problems, when we heard only the minister. It is essential that the parliamentary committee studying this bill hear from a wide variety of interested people.

Nor does the bill spell out the disposition of royalties which, if this bill becomes law, we anticipate will accrue to the Indian peoples.

I am concerned about the timing of the bill. Actually, it involves two sensitive issues, royalties from natural resource production—and this in British Columbia and other provinces has been a sensitive area—and federal interference with regard to Indian lands, even though they have been set aside as reservations under treaty. So, here are two sensitive issues. There is little in the bill to suggest that the government, in preparing it, has been as sensitive, cautious and thoughtful on these two issues as it might have been, and as our treatment of the native peoples of Canada warrants.

The Acting Speaker (Mrs. Morin): I see the minister rising to speak. If he speaks, he will close the debate.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, my remarks will be brief. I shall comment about points raised by some hon. members opposite.

The hon. member for Peace River (Mr. Baldwin) referred to the question of the Indian people assuming greater economic control, and gaining the economic advantage which would flow to them from the type of development referred to in the bill. His was an interesting thought.

In this connection may I refer to the recent announcement in the newspapers concerning the very large development of the Enoch band in the west end of Edmonton. They are in favour of the large developments referred to, the precise reason being that the 30 oil wells and three gas wells will probably run dry around 1980. They intend to use these resources in order to create an alternate economic base, as they will gradually lose the benefit of their present resource in the next 10 or 15 years. More activity like this is going on among the Indian people. Such activity ties in with what was said by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) who spoke about the use of funds to develop a significant base for the Indian people.

Other members, the hon. member for Peace River, the hon. member for Greenwood (Mr. Brewin), the hon. member for Battle River (Mr. Malone), the hon. member for Esquimalt-Saanich (Mr. Munro) and, lastly, the hon. member for Okanagan-Kootenay (Mr. Johnston), referred to the broad nature of the bill. They were concerned because it is not precisely worded. I emphasize that the bill was drafted this way so that we shall not lock ourselves into the tight process envisaged under earlier arrangements which did not provide for flexibility in changing or altering royalty arrangements. That, really, is why the bill has been drafted this way. We want to respond to situations quickly, as they arise, rather than find ourselves locked into a relatively inflexible situation.

The hon. member for Esquimalt-Saanich did not like the word surrender. I share his feeling and am concerned about the word every time I see it in connection with Indian lands. I, also, would prefer a word alternative to surrender, if we become involved in leasing situations.

The hon. member for Calgary North (Mr. Woolliams) expressed concern which was shared by the hon. member for Qu'Appelle-Moose Mountain about the deductibility of royalites. We have discussed this with representatives of the oil industry and solicitors for the Indian people of reserves on which there is oil production, and have indicated we are willing to take another look at the situation after the Minister of Finance (Mr. Turner) introduces the budget next month.

Mr. Baldwin: When next month?

Mr. Buchanan: Time will tell. The hon. member for Qu'Appelle-Moose Mountain made interesting comments concerning the front end load and about how we would be wiser to forgo revenue in the earlier stages and consider it later. I should like to look at that matter and see what can be done.

I could respond to two or three other matters. However, since they will again be discussed at the committee stage I shall conclude my remarks at this time.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

* * *

● (2030)

STATUTE LAW (VETERANS AND CIVILIAN WAR ALLOWANCES) AMENDMENTS ACT, 1974

AMENDMENTS RESPECTING ENTITLEMENT AND ALLOWANCES

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved that Bill C-4, to amend the War Veterans Allowance Act and Civilian War Pensions and Allowances Act, be read the second time and referred to the Standing Committee on Veterans Affairs.

He said: Madam Speaker, it is again my privilege to be speaking on a bill which will further improve the quality of life of that particular group of citizens whose service earned them the benefits of the War Veterans Allowance Act or Part XI of the Civilian War Pensions and Allowances Act.

The bill before you, like Bill C-148 introduced last year, is especially important because it is also breaking new ground in the field of veterans legislation. You will remember that Bill C-148 abolished, for the first time in the history of the War Veterans Allowance Act, the ceiling on personal property. This Bill, C-4, is equally or possibly more important because it will provide, for the first time in the 44 year life of this valuable legislation, for the payment of additional moneys for recipients with dependent children.

Up until now the only benefit that has existed for children, other than orphans, has been the provision whereby a widow or widower with a child would receive the allowance at the married rate. Unfortunately, however, the money paid was the same if the widow or widower had one child or six.

The legislation also failed to face that fact that a married veteran with a child needed more money than a married veteran with no children. Bill C-4 recognizes this fact by providing an additional $50, less the amount of family allowances in pay, for each child. I am especially pleased with this improvement, because it has troubled me for some time that we did not provide more adequately for children under these acts. This situation will be corrected by the passage of this bill.

The bill, I am glad to state, also makes more generous provision for our orphan. In place of the old descending scale of $91.95 for one, $161.27 for two, $217.24 for three or more, with no more dollars being paid for five orphans than for three, we now propose a flat rate of $125 per month, less the amount of family allowance in pay, with a monthly income ceiling of $135.95 for each orphan regardless of the number. These new rates and ceilings for orphans will be escalated annually. We also propose that the allowance to an orphan, or on behalf of a child, be continued to age 25 as long as the child continues his education. The present act requires payments normally to stop at age 21.

In addition to the new benefits for children and the improved payments for orphans, this bill also provides for the WVA/CWA income ceiling to be escalated by 5.3 per cent effective October 1, 1973, and the rates by similar dollar amounts. It provides for the quarterly escalation of ceilings in accordance with the increase in the cost of living, except for orphans whose income ceilings and rates will continue to be escalated annually. This method of escalating on the ceiling instead of on the rate will give the WVA/CWA recipient the advantage of an escalation on a larger base.

The escalation I have just referred to, effective October 1, 1973, will require the adjustment of over 80,000 accounts. and I am confident that all members of this House will agree and understand that if these amendments are passed by parliament there will be a period of time required before these can be reflected in the cheques of our recipients. I assure, you, however, that everything will be done to adjust the accounts with the least possible delay so that our recipients will benefit as soon as possible from any increase parliament approves.

If this bill is passed, the end result will be that effective October, 1 1974, a single recipient will have an average monthly income ceiling of $223.66 and may, depending on other income, receive an allowance of up to $183.66 per month. In the case of a married recipient the average monthly income ceiling will be $382.90 and the allowance payable, depending on other income, will be raised to a maximum, of $312.90 per month. The ceilings will be escalated quarterly in accordance with the cost of living increase and the rates increased by similar amounts.

Effective April 1, 1974, the allowance will continue on behalf of an eligible child or orphan up to age 25 years as long as he continues with his studies. Also effective April 1, 1974, the rates for orphans will be increased to $125 per month, less the amount of family allowance in pay, with an income ceiling of $135.95, the ceiling to be escalated annually in accordance with the cost of living, and the rates to be increased by a like dollar amount.

Effective October 1, 1974, we will provide an additional $50 a month for each child, less family allowance, with the result that a man, wife and one child will have an income ceiling of $432.90, and a possible monthly allowance of $362.90. This ceiling will be increased quarterly in accordance with the cost of living index, and the rate will be increased by a similar dollar amount. In cases of proven need the assistance fund can be used to bring the income level up to the ceiling, $432.90.

The situation will be slightly different in the case of the widow or widower with one child in that the additional $50 will not be paid because they will continue to receive the more beneficial married rate and to have the advantage of the married income ceiling as at present. In this instance, because the additional $50 is not being paid, family allowances will not be taken into consideration. As of October 1, 1974 this group will have an average monthly income ceiling of $382.90 and a monthly rate, depending on other income, of up to $312.90.

In addition to the points I have referred to, I am also pleased that this bill contains several proposals in line with the government's policy to provide equality of status for men and women.

I am proud of the record of this government, and indeed of this House, for the way in which they have treated our veterans and their dependents. I am confident that members of all parties will see Bill C-4 as I do, as another step forward in the field of veterans legislation, a field in which Canada is a proud leader.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Madam Speaker, it is significant that as a result of the amendments in this bill, Canada and parliament are taking a first step in equality for males and females with regard to veterans legislation, when Madam Speaker is in the Chair for the first time.

Some hon. Members: Hear, hear!

Mr. Marshall: I have studied the bill. I can only say that the amendments are commendable. My party has no quarrel with the contents of the bill except for one or two reservations which I hope to deal with a little later. I must say that we in this party are pleased that most of the amendments seem to be related very closely to the program for veterans affairs that was produced by my party as a policy prior to the July 8 election.

● (2040)

I am glad our party was of some help to the minister and to the Department of Veterans Affairs in producing a bill which will overcome many of the inequities which have existed over the years, subject to the reservations I mentioned earlier. As is customary, the amendments were brought about in consultation with the veterans organizations of Canada. We owe a tribute to the National Council of Veterans Organizations which, over the years, has made representations on behalf of its membership. It is through the Council's efforts that many of these amendments are being put into effect. I feel a tribute is owed as well to the Woods committee which, four or five years ago, carried out a comprehensive study concerning the status of veterans. I am sure the efforts made by that committee, and the advice it gave, were instrumental in bringing about some of the excellent amendments contained in this bill.

As I have said many times in the past, a good deal of the progress in veterans legislation results from the fact that many of the people who serve in the various agencies in the Department of Veterans Affairs are themselves veterans. Not only do they perform their duties with capability but they do so with dedication. They, too, served their country in time of need, side by side with their comrades to whom they now administer.

Since we are dealing tonight with war veterans allowances I should like to mention the War Veterances Allowance Board, particularly the chairman, Mr. Don Thompson, his staff, and the district authorities across the country who have served the veterans so well. Mr. Thompson served most of the post war years as dominion secretary of the Dominion Command of the Royal Canadian Legion. In the past few years he has been chairman of the War Veterans Allowances Board and, although he is not in the gallery tonight—

An hon. Member: He is.

Mr. Marshall: —I feel he deserves a special tribute. If he is here I hope I am not embarrassing him. We owe a tribute to Don Thompson and his staff for helping to bring about many of the amendments we see in Bill C-4.

The Department of Veterans Affairs is a little different from other departments of government in that the majority of the staff are veterans and know the problems of veterans. I am sure they are dedicated to the progress of the legislation which comes before us, and I feel this shows a good hope for Canada. I might say of the Standing Committee on Veterans Affairs that it, too, is a little different from the other committees of the House of Commons. We try to deal with our business on a non partisan basis.

Unfortunately, perhaps, there is no sex appeal in veterans affairs to attract the attention of the press. It is rarely that controversial matters come up for consideration. Nevertheless, I respectfully request the people in the Press Gallery tonight to make known the contents of this bill to all veterans, so that they may take advantage of these benefits and learn what we are trying to do for them.

I can only add that there may be a change in the non-partisan nature of the Veterans Affairs Committee if the minister does not agree with the representations we have made from this side of the House with regard to the Veterans Land Act. However, there is still a ray of hope. In reply to a question I put to him—if I may refer to our proceedings last week—the minister indicated that a departmental committee is now working on some type of housing program for veterans. I hope this will come about and that we can continue to serve veterans as they deserve.

In any case, through an amendment put down by the hon. member for Winnipeg North Centre (Mr. Knowles) to the Veterans Land Act measure, extending the expiry date, we shall soon have an opportunity to debate this situation. I hope the government will recognize that we cannot in any circumstances phase out the Veterans Land Act which provides a housing program and accommodation for many veterans who deserve this program because they served Canada in time of need.

Mr. Baker (Grenville-Carleton): We should improve it.

Mr. Marshall: My hon. friend says we should improve it. I must say that the policy paper adopted by my party sets out five or six points which would improve the legislation. I hope the minister will do more than simply tell me in the House that he will consider these proposals. I hope he will take the necessary action. I know he wishes to do so; now he has to convince his colleagues in the cabinet some of whom have lost consideration for our veterans, something it is so easy to do between world wars.

As I have said, the bill is a good one. It will overcome many of the inequities which presently exist and, to a large extent, it will allow veterans to meet the increased cost of living. Moreover, it is one of the first steps toward giving equality of status between males and females, one of the most important portions of the program which our party produced prior to the July election.

The bill embodies at least 12 important amendments. It provides entitlement for widowers who have reached the age of 60, special awards to a surviving spouse with respect to dependent children; for changes in the determination of allowances payable to veterans married to each other; for allowances to a widow who is maintaining a veteran or a person in receipt of civilian war allowance, and revises from 21 to 25 years the age until which a child may receive an allowance while following an approved course of instruction. This is very important because, as we all know, under the present act the dependent child of a veteran could attend university until the age of 21. Naturally, this does not suit the purpose because students continue at university until at least the age of 25. This measure will provide them with the assistance that they need.

● (2050)

Another important point which was in our policy paper is that the bill will provide for quarterly adjustments of the income factor, another step in the right direction. The only legislation that provided for this was the old Age Security Act. As this session progresses I hope this criterion will be used to provide quarterly indexing of disability pensions. I know the minister is considering this, and I hope he will be able to persuade the cabinet to provide quarterly indexing for disabled pensioners who suffer from increase in the cost of living.

The bill also provides for new allowances for dependent children. I mention these improvements generally at this time since we wish to co-operate in getting through the second stage of the bill. However, we will deal with the bill clause by clause at committee stage.

One of the important features of the bill, unless I am mistaken, is that no longer will the value of the home of a recipient and the determination of his amount of income restrict him or her from receiving the war veterans allowance.

However, in spite of the dozen or so amendments that will overcome many of the inequities that exist in the act, I feel that we, as parliamentarians, should not feel too proud of the fact that it has taken so long, some 44 years since the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act were passed, to reach this stage. Having reached this stage, there still remain some inequities that must be eliminated. We should give the veterans of Canada legislation that does not have to be amended every year at the political whim of the government so that we can finally care for our burnt out veterans.

It should forever remain on the consciences of past and present parliamentarians that too many veterans over the years have passed on, having been disappointed and discouraged that Canada failed to live up to its commitment to those who served and to whom we should have shown a little more compassion and consideration. Regardless of which side of the House we sit on, we in this parliament should demand a veterans charter that will provide, to our remaining veterans and their dependents, a reasonable pension that will give them adequate shelter.

One of the things I am sorry not to see in the bill is the elimination of the requirement for pension of 365 days' service in the United Kingdom before November 12, 1918, for first world war veterans. This would be a very simple amendment, one that has been introduced in this House of Commons over the years. I have before me a copy of a bill introduced by a colleague of mine, the former member for Swift Current-Maple Creek, Mr. McIntosh. This bill provided for a pension to veterans who did not serve for 365 days, payable on a pro rata basis. I should like to read the explanatory notes to this bill which was introducted in 1963:

> The purpose of this Bill is to grant eligibility for an allowance under the War Veterans Allowance Act, 1952 to those veterans of World War I who would qualify for an allowance except that they served in the United Kingdom less than 365 days prior to November 12th, 1918. The allowance, however, would be less than a standard allowance as it would be calculated on the fraction of the number of days served in fact (e.g., 200) divided by 365.

Since there are not too many veterans who fall into this category, there is no reason for not introducing such an amendment now. I might mention that the average age of first world war veterans is very close to 80, so how many years have they left? Some served in the United Kingdom for 360, even 361 days, so why cannot we fulfil our obligation to those who have only a few remaining years left to live and who could receive a little extra comfort?

A single recipient of old age security and the GIS today receives $199.10. According to the minister's statement which he distributed on October 2, as of September 30, 1973, a single recipient had a monthly income ceiling of $191.14. The new monthly income ceiling effective October 1, 1974, will be $223.66, reflecting a 17 per cent increase, or some $32.52. If we take into consideration the exemption for the war veteran over 65, all we are doing is providing him with $40 to $50 to give him a little extra comfort and allow him to cope with the increase in the cost of living that is so serious today.

Another inequity that should be overcome concerns those veterans of Canada who remained overseas and thus do not qualify for war veterans allowance owing to the provision that they must reside in Canada for 365 days. The minister is aware of this situation and has met these veterans over in England, as have his predecessors. The legislation of 1960 was amended to permit continuing payment of the allowance outside Canada primarily for the benefit of recipients who were desirous of leaving Canada for reasons of health or family ties. Apparently, 683 recipients have benefitted by this 1960 amendment, and I give credit to whoever was in power at that time.

Again it is surely not too much to ask that an amendment be passed to eliminate the 12 months' residence requirement in the case of the few Canadian veterans who are unable to draw the allowance because of their inability to return to Canada to qualify. If the reason for the amendment in 1960 permitting continuing payment of the allowance outside Canada was primarily for the benefit of recipients desirous of leaving Canada for reasons of health or family ties, then surely it is only fair that the converse should be applied, namely, that those veterans who are unable to return to reside in Canada for 12 months, for reasons of health or family ties, should be allowed the privilege of drawing the allowance without the necessity of having to return to Canada?

Many of these veterans are invalids and they cannot return to Canada. We are an affluent nation, and although I realize we must restrict government spending, there are many areas where we could save a lot of money by cutting out government waste. This would enable us to provide these Canadians with the extra comforts that they deserve, and we would be able to say that Canada has fulfilled its obligations to them for the service that they have given to their country.

We could also improve the act under regulation so as to increase the amount of casual earnings that a war veterans allowance recipient can receive. At present it is $1,000 for a single recipient and $1,500 for a married couple. In many cases the children of second world war veterans have grown up and gone their own way, and the wife is in a position to work and provide a little of the extras for herself and her husband. But she cannot do so because of the restrictions. I am sure this is a matter the minister will consider should be the subject of consultation between himself and his department in order that the amount of casual earnings allowed can be increased. Certainly that is something to be considered for the future.

● (2100)

I should like to make another point regarding the recipients of war veterans allowance who happen to have large families and, perhaps regrettably, qualify for social assistance in addition to the war veterans allowance. Whenever there is an increase in the war veterans allowance, that is, each January, in relation to the cost of living index, the social assistance is decreased. I am sorry the Minister of National Health and Welfare (Mr. Lalonde) is not in the House to hear this. Consultations should take place with the provinces regarding a change which will allow these veterans to receive the increased war veterans allowance without a decrease in social assistance.

As the situation now stands, any increase in war veterans allowance is offset by a reduction in provincial social assistance. The same is true in respect of disability pensions. When a recipient of a war veterans allowance receives a partial increase in his disability pension there is corresponding decrease in his other allowance. With the various changes in disability pensions and war veterans allowances I hope this situation will be corrected.

Speaking on behalf of my colleagues, and particularly the hon. member for Winnipeg North Centre, I think I can safely say we all want this bill to go the the committee as soon as possible in order that it can be returned to this House and be passed here. A lot of administration is involved in getting payments out. A great deal of administration is involved in quarterly indexing, as well as in respect of other factors in the bill. I can only say that we commend the minister wholeheartedly for his introduction of this amendment. I hope he will consider the amendments to which I have referred. If he does not, it is my intention to suggest such changes at the committee stage. I am sure that with a little effort we could bring in amendments to make the war veterans allowance bill a complete legislative item to serve the war veteran and burnt out veterans for years, without the necessity of having to come back each year to agree to ad hoc amendments.

I again commend the minister and the government on this bill. I look forward to its speedy passage in committee and its return to this House so that it can be passed for the benefit of those veterans of Canada who have served so well over the years.

Mr. Stanley Knowles (Winnipeg North Centre): Perhaps I should say "Madam Speaker" fast before the Chair becomes Mr. Speaker. In any case, as a first word I want to say on behalf of my party that we warmly welcome Bill C-4. Like the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), we want to expedite the passing of this bill so it will be in effect just as soon as possible.

It is quite true that before I conclude my remarks I shall play the role of an opposition member, indicating a few things that are wrong, or pointing out a few shortcomings. But my main feeling about this bill is that it is good. It has more things in it I can praise than if often the case. One has difficulty in finding the jokers that are so frequently in bills the government brings forward.

I want also to join with my friend and colleagues, the hon. member for Humber-St. George's-St. Barbe, in paying certain tributes. I was aware of the fact that while he was doing so he, as a member from Newfoundland, was telling the minister, who is a representative from Prince Edward Island, what a good war veterans allowance board chairman he has, who happens to come from New Brunswick. I suppose I could fall back on my Nova Scotia background and make this an Atlantic provinces night.

In any event I want to join in the tribute to Mr. Donald Thompson and his staff for the good work they do in administering the War Veterans Allowance Act. As the hon. member says, we pay the same tribute to other officials in the Department of Veterans Affairs, but tonight what we have before us is the War Veterans Allowance Act.

As I said, there are a number of things about the amendments presented tonight that are good. Let me take a few minutes to emphasize them, even though they have already been noted.

This bill is good in that it establishes equality between the sexes so far as veterans under his legislation are concerned. I suppose this equality of sexes is demonstrated by the fact that when I started my remarks it was Madam Speaker but there has been a change and now it is Mr. Speaker in the Chair. There is, of course, still a slight difference. I suppose "vive la différence" will always be the motto, and there will always be some differences between the sexes.

I notice under the provisions of this bill that, although a male veteran can make it possible for his widow to draw the war veterans allowance at age 55, the female veteran can make it possible for her widower to draw it only when he reaches 60. I suppose the difference is that not many women admit to getting past 55, but at any rate that slight difference still seems to exist.

In any case the provisions of the bill as I read it seem to establish equality between male and female veterans, and the bill also makes special provisions where a male and female veteran are married to each other. We welcome these changes. They are indeed in line with other changes being made in a number of our federal statutes.

The second thing about this bill I feel to be particularly good is the one the minister referred to in the opening portion of his remarks, namely, the provision which is made for an extra payment in the case of children. As he pointed out, the only way a child received anything before was in the case of a parent of single status getting the married rate if that parent was maintaining a child or children. Now, under the provisions of this bill, the children of war veterans allowance recipients up to a certain age are to be provided in their own right, with the amounts set out in the legislation.

● (2110)

Before I leave this I must say I am not happy about the provision that subtracts from the amount being paid in respect of a child the amount received as a family allowance. It seems to me this is a case of the old means test concept taking a long time to die out.

I remind the minister that the War Veterans Allowance Board has already found it possible in other areas to exempt certain forms of income. For example, even though the war veterans allowance is tied into the guaranteed income supplement that goes with old age security, the War Veterans Allowance Board by Order in Council exempts the escalation of old age security and the guaranteed income supplement. I believe there have been also arrangements between the War Veterans Allowance Board and my province of Manitoba, where a mincome program is being established, to make it clear that money received under that program will not count as income for purposes of the war veterans allowance.

There are other examples of this. The point I am making, however, is that it has been found possible to exempt certain other forms of income from the means or income test that attaches to the war veterans allowance. I contend that this could be done in respect of the family allowance. I just do not think it stands up for us to embark on this new idea of providing, under the War Veterans Allowance Act, something for the children of war veterans allowance recipients and then to turn right around and take away with one hand what is given with the other. I realize the defence which can be put up in this regard and no doubt we will face that in committee, but it seems we are back to square one on this business, and that it is time to mix in the means test on these payments to which these children are entitled.

I come to the third item in the bill which I regard as good. I shall do my best to avoid any criticism of it because it is something for which I have been asking for a long time. We have it now and I want to say that it is most welcome. I refer to the decision to escalate the ceiling rather than the allowance. That is saying it in shorthand, despite the fact that it is rather complicated.

Up until the present time the way the government has worked has been to increase the maximum allowance payable by the percentage increase in the cost of living, and then raise the ceiling on permissible income only by the same number of dollars that the allowance was raised. That meant that the ceiling on the permissible income applied to the war veterans allowance did not go up by the percentage increase in the cost of living.

I argued all along that the escalation should apply to the ceiling rather than to the allowance. That is now being done in this bill and I think it is one of the most important changes being made. From now on the escalation is on the total income allowed to a war veterans allowance recipient. That ceiling will be escalated by the actual rise in the cost of living, and the allowance will be increased by the number of dollars necessary to keep the allowance the same number of dollars below the ceiling. As I say this is something some of us have been pressing for, for a long time. Now it is here and we welcome it very warmly.

I wish also to express approval of the fact that the escalation under the War Veterans Allowance Act, once this bill comes into effect, will be on a quarterly rather than on an annual basis. Ever since the old age security and the guaranteed income supplement were placed on a quarterly basis that has been a bone of contention with war veterans allowance recipients and others. They could not understand why they were not put on the same basis. This is being done and we welcome it.

I go further and say, if I understand the bill—and I have tried to read it with a view to grasping it—that there will be retroactive payments. The minister's statement tonight about 80,000 accounts having to be adjusted seems to confirm that. It is also confirmed by the fact that the various schedules in the bill indicate the rates of ceiling and rates of allowance for each of the quarters in the current year.

Therefore, it looks as though there will be a case of retroactivity in respect of a war veterans allowance recipient over these past number of months. In other words, we are adopting the idea that the escalation should have applied to the ceiling since last October, and the adjustments will be made on that basis. That is good.

I hope the computers in the department are in good working order and that it will not take too long for these

80,000 accounts to be adjusted. Everyone recognizes that it will take some time, but we hear of computers which, if they are fed the necessary information, can pass out so many hundreds of results per second. I hope these adjustments can be made soon and that all those in receipt of war veterans allowance will obtain the benefit of the new formula without delay.

That is not an inconsiderable list of things to find in a bill which one has to say are good. They are all very good and they are welcome. That leads me to draw attention to some shortcomings and some things which are not here at all. In respect of the point I have been discussing about quarterly escalation I still regret—and we will run into this as time goes on—that the plan of escalation is one that is always behind.

The plan being adopted for war veterans allowance escalation is exactly the same plan as the Minister of National Health and Welfare (Mr. Lalonde) brought in with respect to old age security and the quaranteed income supplement. So, I cannot ask one minister to do something without asking the other minister to do the same thing. Since both are present this evening I put this to both of them.

The plan that is in this bill, like the plan applying to OAS and GIS, works this way. At the beginning of a quarter you go back two months. Then you take the three months prior to those two months, and you compare the cost of living in those three months with the three months prior thereto. So when you have an escalation in the allowance or an escalation in old age security and the guaranteed income supplement you are really eight months behind. To tell me this is because it is too complicated to compute is something I cannot swallow.

Then in respect of the orphans, the orphans' benefits will not escalate quarterly but rather annually. Again the minister has been handed the program that is in the legislation of the Minister of National Health and Welfare. When you get an escalation in January you go back three months, take the 12 months before that and compare the cost of living in that 12 months with the 12 months before that. The time when people need the escalation most is when the cost of living has gone up, and not eight months later as in the quarterly case, or a couple of years later as is almost the case in the instance of annual escalation.

The Minister of National Health and Welfare receives many letters complaining about the escalation of old age pensions being behind. The Minister of Veterans Affairs will soon get the same treatment. He is hoping that all he is going to get will be many letters thanking him for this escalation on a quarterly basis. He will get those, but it will not be long until letters come saying that it is very nice to get the escalation but it is not enough, that it does not match the rise in the cost of living and that it is five or six months out of date.

● (2120)

I therefore urge the minister to get interested in this subject and have a conference with the Minister of National Health and Welfare so that they may soon come up with an idea on escalation that is more up to date than this scheme which is patterned after the one in the Old Age Security Act, with all of its shortcomings.

Speaking of escalation, I want to support the proposal made by the hon. member for Humber-St. George's-St. Barbe that it ought also now to apply to disability pensions. It seems to me there are going to be all sorts of complications with old age security, the guaranteed income supplement and the war veterans allowance being escalated quarterly, and the war disability pension being escalated annually.

The minister shakes his head, Mr. Speaker. I do not know whether he was worrying about those complications or saying, in effect, "No matter what we do those fellows over there want something more". It is this government that boasts about quarterly escalation and that it brought it in for old age pensions and for the guaranteed income supplement, after the Minister of National Health and Welfare said he did not want to do that but would rather bring in substantial increases in the basic amount. Well, the government cannot have it both ways, Mr. Speaker; if it is proud of having brought in quarterly escalation for a number of programs, the onus is on the government to bring it in for all pension programs.

To return to the War Veterans Allowances Act, I listened with interest when my friend from Newfoundland said he could not read his notes. I thought he was looking down here and reading mine because I have only one point noted that he did not have. He was perfectly right in his plea about the 365 day requirement. I understood this requirement when it was put in the War Veterans Allowance Act over 40 years ago. This applies to veterans of World War I.

Surely we do not need any longer to deny veterans aged 75, 80 or 85 the benefit of the war veterans allowance because their service in England in world war I was only 364, 360 or even only 180 days? It seems to me that at this point we could say to a veteran who saw any service at all overseas in World War I that he can qualify for the war veterans allowance.

I liked the way the hon. member for Humber-St. George's-St. Barbe was putting it, Mr. Speaker. He did not use the words "guaranteed annual income for veterans" but that is what he was advocating. I suggest the time has come when we ought to say to any veteran of World War I that he does not any longer have to go through the rigmarole necessary under the Canadian Pension Commission, or to meet the tests of the war veterans allowance board, but rather that a guaranteed annual income will be his by right.

Someone will immediately suggest that there are veterans of World War II who are just as old. All right, we could establish the age at 75, 70 or 65 and say to every veteran in the country that at that age he is to be guaranteed an annual income. As the hon. member for Humber-St. George's-St. Barbe has proposed, it should be reasonably better than the income provided under our civilian social security legislation. It is a good place to begin this concept of a guaranteed annual income and I strongly urge it upon the Minister of Veterans Affairs.

I said that I had one point that the hon. member for Humber-St-George's-St. Barbe did not see when he looked over here, Mr. Speaker. It relates to the war disability pensions paid under the Pension Act but it has a tie-in with the War Veterans Allowance Act. I have in mind the

provision which denies the widow of any veteran a war widow's pension unless her husband was on a disability pension of 48 per cent or more before he died. The Woods commission recommended that this should be scrapped in favour of a pro rata arrangement, and that any widow of a veteran who had had a disability pension should get a pension as of right, whatever the scale might be. I think we should start to apply that to widows, especially widows of veterans of World War I. I welcome the sympathetic hearing that has been given this matter by the minister and various officials in the Standing Committee on Veterans Affairs. I just hope that this year we get somewhere with this idea.

As the last speaker said, there will be an opportunity some time soon to discuss the War Veterans Land Act so we need not go into that tonight. The notice under the amendment to the statute of last spring was filed last Thursday, October 17, so that means that within 15 days we get to that debate—that is, Mr. Speaker, unless the minister beats us to it one of these days by announcing a new veterans housing program. I would be quite happy if he were to do so.

What we have before us tonight is the War Veterans Allowance Act and I say again that we welcome the improvements being made. I hope the minister will become part of an effort to get escalation more up to date. I hope he will take another look at the matter of applying a family allowance test to the moneys to be made available to the children of war veterans allowance recipients. I hope he will get rid of that 365 day clause for veterans of World War I and I hope he will take a new look at the position of all widows, especially those whose husbands were on pensions of less than 48 per cent before they died.

I have no quarrel at all with the minister's pride in presenting this legislation. As a package it is one of the best sets of improvements in the War Veterans Allowance Act for a long time. But maybe when we come out of committee with the bill it will be better still. We shall do our best to see that it is, Mr. Speaker.

Mr. S. Victor Railton (Welland): Mr. Speaker, I am indeed fortunate to follow such eminent speakers as the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and the hon. member for Winnipeg North Centre (Mr. Knowles). I always feel that these two gentlemen are good spokesmen for veterans, and it is an honour to follow them.

The minister should certainly be congratulated on this legislation. Both previous speakers mentioned that, and I am in full agreement. This bill updates the existing act and brings it into modern times.

It is a long time since a lot of our veterans fought in the wars. It is 56 years since world war I, over 28 years since world war II, and 22 years since Korea. It is interesting that people in Canada and members of this House still want to be fair and, shall I say, generous to their veterans.

● (2130)

Some of our young people tend to make fun of those who were in the army or fought for their country in the last war. That is too bad, because they confuse the causes of war and the lack of vision of those who allowed war to happen with the people who were compelled to fight for their country, either because of patriotism or because they were called up. Why they fought makes no difference. They went through two wars in some cases, and they fought for freedom. We must not forget that.

Last week, when I could not get a flight at the right hour, I came up by train and began reading the "Gulag Archipelago." I could not finish the book on the train and am still reading it. The big thing is that apparently after the First World War in mother Russia they sent those who had spoken in disparaging terms of the state into exile, after interrogation and torture, for perhaps one or two years, even though those exiled had not the slightest intention to incite revolution. In Canada that would never be allowed to happen.

The hon. member for Winnipeg North Centre (Mr. Knowles) spoke about the good news and the bad news. He mentioned quarterly escalation of pensions. I agree with what he said. I do not see why it takes so long to escalate pensions. I really think we should try to make the computer work better. I know it has not worked too well for the UIC this past year, but it is working better. I hope it will turn out the cheques right on the date when the escalation in pensions should occur. The Minister of National Health and Welfare (Mr. Lalonde) is to be congratulated for beginning this process. It applies to practically all pensions, and I do not see why we should not use it with veterans' pensions. They should be escalated every quarter, in line with the rise in the consumer price index, or whatever basis you use.

In the past, war veterans' legislation made little provision for children of veterans. That was very strange. The government increased family allowances for children up to $20 per child, and even this amount provides just a small amount of help. The point is this: the widow of a veteran with one child gets the same amount as the widow with two children. That is strange. The department and the board— and I congratulate Mr. Thompson—have decided that a flat rate of $50 is to be paid. The family allowance is deducted, so that if you get $20 in family allowance the flat rate under the veterans' legislation will be $30. I think this idea is sound.

My second point is that the bill will extend allowances for children up to age 25. This will allow the sons or daughters of veterans to continue their education without interruption. They will not need to leave school and work. That sort of thing delays graduation. I am glad that this provision has been introduced.

Another point which was covered by other members is that there is a flat rate or floor of $125 per month for the orphans of veterans. Previously, orphans were not well treated under the act. There is provision for up to three orphans of one family. Yet in some families there are five or six orphans. This, I think, should be examined.

The hon. member for Winnipeg North Centre said there is to be an increase in the ceiling of allowances paid to veterans and dependants. That ceiling will be escalated. I think this is very good.

Since we agree that we must treat our veterans generously, it is clear that, if we do not do these things provided

for in the bill, we shall treat our veterans shabbily. Mr. Speaker, the word to remember is shabby.

As other speakers said, the Veterans Land Act may be phased our next year. May I put in my oar in that respect. I ask the minister to consider helping veterans with housing. If this is in the works, I do not know. I think the veteran without money should be treated differently from the average citizen with little or no money. The advantage should always go to the veteran; he should get any differential.

I wish to make just one more point. The improvement in the escalation provided for in the bill is good. I feel that all veterans' pensions should be escalated, those paid to orphans as well as other pensions. Increasing the ceiling instead of paying the flat rate will be of great advantage. Only this way can we be generous to all veterans. Otherwise we shall treat them poorly.

I repeat, Canada owes a special debt to the men and women who served in times of crisis. I think this is a good bill, and support it fully. I hope the minister will consider the points I have mentioned. I commend him and the department for continued efforts to improve the lot of our veterans and their dependants.

● (2140)

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, the War Veterans Allowance Act became law in 1930 and was essentially designed as an old age pension for veterans who, because of the rigours of their service in the war theatres of World War I, were considered to have been pre-aged by about 10 years. Since then the act has been broadened to include veterans of the Nort-West Field Force, South African War, World II and Korean conflict, and their widows and orphans.

Bill C-4 contains a number of measures that the Progressive Conservative party has been seeking for some time now. We stated in our policy paper that we would introduce amendments to the War Veterans and Civilians Allowance Acts to ensure automatic increases bases on a three month cost of living index rather than on an annual basis. This would ensure more money for veterans more frequently.

The measure is most welcome, but we request an explanation of the reason quarterly increases were refused to orphans. This seems unjust. One can only hope it was merely an oversight.

The Progressive Conservative party advocates consultation with our provinces with a view to ensuring that increases in War Veterans Allowances do not lead to decreases in provincial social assistance payments. Has the government undertaken such consultations?

The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), and the hon. member for Winnipeg North Centre (Mr. Knowles), made mention of World War I veterans residing in the British Isles. I would also like to add my comments. At present there exists a restriction of 365 days' overseas service for veterans of World War I who enlisted prior to November 11, 1918. We suggest that this requirement be removed.

In order to receive an allowance outside Canada, a person must be a recipient at the time of his departure and must have resided in Canada for the 12 months immediately preceding the day he leaves Canada.

There are an estimated 10,000 Canadian veterans in the British Isles who have lived there since World War I or World War II. Many of these should be entitled to War Veterans Allowance, but have been unable to meet Canadian government regulations that demand that those who served in the forces spend at least one year in Canada before they can receive veterans allowance abroad.

There are many reasons why these veterans are not easily able to comply with these regulations. Some veterans are bed-ridden and paralyzed, eking out a precarious existence, and physically unable to come to Canada. Many are simply financially unable to make the long trip, with or without their families. Consequently there are some 600 or 700 Canadian veterans in great financial need in Britain alone.

There is no need for this situation to exist. Canada rightly looks after members of allied forces who are now in Canada; yet Canada ignores many of her own veterans who happen to be living abroad. I hope the minister will take note of my observations and take the necessary measures to bring in corrective legislation.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, as I was preparing notes to take part in this debate the chair was occupied by Madam Speaker, the hon. member for Louis-Hébert (Mrs. Morin). I had a few words I wanted to address to her. As she is still in the chamber, I will say this about her. Those people who grace the Speaker's chair bring with them some knowledge of the rules of debate in the House, wisdom, and good humour. When you add to that beauty, grace and charm, this House is doubly honoured.

Some hon. Members: Hear, hear!

Mr. Knowles (Norfolk-Haldimand): Who in this chamber is in a better position to make these comments than those who sit to the immediate left of the Speaker's chair?

I join my colleagues in supporting the passage of Bill C-4. It is especially fitting that we should be debating this bill and expediting its passage close to the eve of Remembrance Day, November 11. What better wreath could we place on the cenotaph to remember the dead of two world wars than this bill which gives benefit to the living veterans of those wars?

I congratulate the minister and his departmental officials on this bill. The remarks of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) indicated that we on this side of the House support these changes. We have advocated them, as the hon. member for Winnipeg North Centre (Mr. Knowles).

The hon. member for Humber-St. George's-St. Barbe has made a real contribution to the Standing Committee on Veterans Affairs. He has made many positive suggestions to the department. He is respected by members of the committee, members on all sides of the House, and veterans from all across this land.

It is worth noting that members of the Standing Committee on Veterans Affairs take a continuing non-partisan view of the problems of veterans. No other committee of

this parliament has more good will or a more genuine desire to work for the benefit of those whom it is desirous of serving.

There is general agreement among all members of the House that this bill should be passed almost immediately. I have only two comments I wish to make. The first has to do with the increase in the income ceiling. According to this bill it is to be increased by a formula base which includes the consumer price index and other factors which have been detailed by previous speakers. However, due to the inflation which is rampant in today's economy, even with these increases the poor veteran will only find enough absolute dollars to pay his grocery bill. He will not be helped very much when it comes to the other costs such as shelter, heat, clothing and so on. While these increases are of some value to him, I do not feel they are overly generous.

Legislation introduced by the Minister of National Health and Welfare (Mr. Lalonde) will make some changes to the Canada Pension Plan. The ceiling on income of people receiving the Canada Pension Plan will be completely removed for those over age 65. The Department of Veterans Affairs should take note of that precedent and introduce it as a regulation or, if necessary, as an amendment to the act. There is certainly a precedent. It would approach nearer to the guaranteed income spoken of by the hon. member for Winnipeg North Centre. I sincerely suggest this to the minister and his officials. I trust they will take due note of it.

Correspondence received by members of parliament concerns a number of problems affecting veterans. One problem that recurs quite often is the matter of over-payment of War Veterans Allowance, often that paid to the widow of a deceased veteran. This is through no fault of hers. She is ignorant because she does not understand the regulations. She takes the cheques which come to her in good faith. The War Veterans Allowance Board suddenly notices she is being overpaid. They ask for repayment, which is their right.

It is agreed the terms are most generous, but in cases brought to my attention even the most generous terms can be a great hardship. Is there not some way in which the department could write off such overpayments? These could be judged on the merits of each case. I believe there are cases where the demands for repayment are amply justified. However, there are other cases which, with a real sense of humanity and generosity on the part of the department, could and should be written off.

● (2150)

In conclusion, I should like to pay a tribute to Mr. Don Thompson of the War Veterans Allowance Board whose kindness and courtesy to myself and, I am sure, to all other hon. members who inquire about particular problems relating to our constituents, is deeply appreciated.

I am told that speeches to be immortal need not be eternal, Mr. Speaker. With this maxim in mind I shall conclude my remarks forthwith.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I am pleased to join those who have spoken before me in welcoming this bill. My remarks will be brief and I am sure we can pass the bill on second reading by ten o'clock. We would in no way delay the passage of this measure. The provisions it contains have been a long time coming and they have been requested, I am sure, by members in all parties in the House.

From my conversations with veterans and representatives of veterans organizations I find that many veterans are finding it increasingly difficult to live on their pensions and allowances. Each year it becomes a little harder for them to cope with the cost of living or, shall I say, the cost of staying alive—perhaps if we used the latter phrase we should find it would not roll off, our tongues as easily as does "the cost of living".

The Veterans Affairs Standing Committee is one of the truly non-partisan committees. I was very pleased to play my part in the work of that committee. Each of its members is anxious to get a better deal for the veteran. We all feel the bill should go farther than it does. We all feel that veterans should not be obliged to beg to anyone. We all feel that they should live their lives with honour and dignity. If there is any group which deserves a special place in our society it is the veterans.

Most veterans' organizations continue to serve their communities year after year. Along with other service clubs they sponsor a variety of projects. Indeed it has been the hallmark of their generation to give to their country and to their community. In many cases they get very little in return.

The bill before us will go a long way toward removing many of the inequities facing veterans in Canada. I should like to see the 365 days' overseas service requirement affecting world war I veterans removed. Surely, the few hundred thousand world war I veterans left in Canada should get all we can give them. I am confident those among the world war I veterans who presently qualify, that is, those who served more than a year overseas, would not deny these benefits to their fellow veterans.

I should also like to see consideration given to the position of veterans who served Canada well during times of war but who did not return to Canada. Surely we can consider their situation. There are only a few thousand left and, if we find ourselves able to consider programs of aid to the less fortunate in other nations, surely we can look after those Canadians who served their country in time of war either as members of the Canadian forces or as civilians on war duty for Canada. Let us first look after our own.

We know that many of them are living in Europe, especially in Britain where they are experiencing economic problems. I believe we should amend this legislation to include persons who, for one reason or another, chose not to return to Canada after their war services.

I do not suppose one could find anywhere in our society a group of people more fiercely proud of their service to their country than the veterans. I am one of them and I am proud to stand with them whenever I can. It is a source of inspiration to me to see how resourceful most veterans are, and how well they cope with the problems of the day. The members of the Veterans Affairs Committee look forward to receiving this bill and will, no doubt, return it to the House with all dispatch so that the benefits con-

[Mr. Knowles (Norfolk-Haldimand).]

tained therein can be put into effect with all possible speed.

The Acting Speaker (Mr. Penner): Order. I would remind the House that if the minister speaks at this point it will conclude the debate at this stage.

Mr. Marshall: If we happen to go past ten o'clock I wonder whether there would be unanimous consent to give the bill second reading so that it might go to the committee. Could we allow the minister sufficient time to conclude his remarks?

Some hon. Members: Agreed.

Mr. MacDonald (Cardigan): Mr. Speaker, in rising to conclude this debate I simply wish to thank hon. members for their participation. We have listened with interest to the many comments which have been made, and we look forward to the bill being passed on to committee for an in-depth study of the matters which have been brought up.

Motion agreed to, bill read the second time and referred to the Standing Committee on Veterans Affairs.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SOCIAL SECURITY—SUGGESTED PAYMENT OF PENSIONS TO PERSONS BETWEEN 60 AND 65 WHO ARE NO LONGER EMPLOYED

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Thursday October 17, as recorded in *Hansard* at page 471, I sought under the provisions of Standing Order 43 to present a motion having to do with the proposed legislation for the payment of old age pensions to persons between the ages of 60 and 65 who are spouses of persons over 65. To my surprise there was not unanimous approval—somebody said no. Accordingly, I had no option but to put the same matter to the Minister of National Health and Welfare (Mr. Lalonde) in the form of a question which is to be found on page 479 of *Hansard* for the same date. My question read as follows:

> In view of the justifiable complaints of many persons between the ages of 60 and 65 against the unfairness of their not being included in the proposed legislation regarding pensions, and despite there not being unanimous consent to the motion I moved earlier, will the minister give consideration to reviewing the proposed legislation and make pensions available across the board to those who are out of the labour market?

That latter phrase might have been expanded, of course, to read:

> —to persons across the board who are between 60 and 65 and who are out of the labour market?

In all of this, Your Honour, we are dealing with a promise made by the Prime Minister (Mr. Trudeau) during the last election campaign, a promise which was repeated in the Speech from the Throne and indicated in the list of bills to come before this session of parliament. The bill in question is one which will make available to persons between 60 and 65 years of age who are spouses a pension under the Old Age Security Act provided, of course, that the other spouse is over 65 and drawing a pension, and provided that between the two of them they meet a certain means or income test. The Minister of National Health and Welfare in his reply the other day admitted that when this proposal was made it was brought forward as an interim measure.

● (2200)

I well remember that when the Prime Minister (Mr. Trudeau) made the promise during the election campaign he referred to the very types of individuals that I have mentioned—spinsters, widows, bachelors and widowers—as not being covered. I certainly got the impression from what I heard the Prime Minister say that he knew that in due course the payment of pensions at age 60 would have to be made more general, and that it would have to cover all persons in the age bracket of 60 to 65 who are in need.

The Minister of National Health and Welfare now says that the measure is an interim one in the sense that it is a forerunner of a guaranteed annual income for persons of all ages who may be in need. He talked the other day as well about the plan as being one that would solve the problem of two persons trying to live on one pension. That is fine, Mr. Speaker, but what about the one person trying to live on no pension?

It is all very fine to say to a married person, woman or man, who is between the age of 60 and 65, "Because your spouse is getting a pension we are going to give you one too". What about the single person, whether spinster, bachelor, widow or widower, who is in that same bracket, who is also in need, has no pension and is not to qualify under this legislation?

To my mind, no matter how much the minister tries to say that this is an interim measure in the way that he described it the other day, the fact is that in the eyes of the people and the country generally it is a pension payable at age 60; and there is going to be a very great feeling of unfairness when one 63 year old woman gets it because her husband is 66 and on a pension, and another 63 year old woman does not get it because she is a widow or a spinster. I could reverse the situation and speak of a 63 year old man under the same conditions.

I suggest that because of this unfairness that people are going to feel, the minister is starting off on the wrong foot by bringing in these pensions at 60 only in the case of the spouse between the ages of 60 and 65, rather than in the case of all those in that area who need it. I am quite prepared, as I have indicated in all of the speeches I have made on this matter over many years, to accept an employment test, to say that pensions are to be paid only to those persons between 60 and 65 who are out of the labour market. That will cover all the spouses who would meet the conditions of the minister's proposal, but it would be fairer, more general, and would not have the shortcomings that are in the minister's plan.

Adjournment Debate

When I tried the other day to move my motion under Standing Order 43, the Chair had something to say about there not being urgency to the question. There was no opportunity to argue it then and I am not now arguing with Mr. Speaker's ruling. But in my view the urgency of the matter is that once the minister's bill comes in it is pretty hard to get it changed.

Mr. Lalonde: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The minister says "Hear, hear!" I never thought that this minister would get that arrogant so fast, just because he sits over there with a majority. That was not the way the minister talked during the last parliament. At any rate, that is one of the facts of life in a majorty parliament.

Mr. Lalonde: Even with a minority, and you know that.

Mr. Knowles (Winnipeg North Centre): In a minority parliament all sorts of things get changed, and the minister knows that. I am trying to get at the minister before he brings in the bill because once the bill comes in it is pretty hard to change. I am trying to get him to act with the common sense I believe he has, and to redraft this bill before he brings it in so it will provide pensions for all persons between age 60 and age 65 who are out of the labour market.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have a lot of respect for the hon. member for Winnipeg North Centre (Mr. Knowles) and for all the points he mentioned. I pay a lot of attention to all his comments. He is experienced and has been concerned about problems in respect of pensions for a long time.

I am surprised at a lot of the talk that has been going on on this whole subject, and at the reactionary thinking he has adopted. Perhaps I should not be surprised in the light of the support he has just received from some of his colleagues on the Conservative side. When he talks about those out of the labour market I suppose he includes housewives. Does he also refer to the professional millionaire who decides to retire at age 60 because he has made enough money? He is out of the labour market too. The hon. member does not say whether those pensions should be universal or via an income test.

Mr. Knowles (Winnipeg North Centre): The retired millionaire gets a pension at age 65 and pays a heavy tax on it.

Mr. Lalonde: The hon. member has a lot of explanations to give. In regard to his suggestion that the proposal put forward will bring unhappiness to the country, let me say I think it will bring unhappiness only if he goes around confusing the issue and trying to mislead the people as to the intention of this particular proposal. I am convinced that the hon. member is not a man who would intentionally mislead the people.

The purpose of this bill, which I repeat is an interim measure, is to make provision for a couple when one is forced to retire at age 65 and they find themselves living on the pension of one. The hon. member asks about the other situation where a single person is living at age 60

[Mr. Knowles (Winnipeg North Centre).]

without a pension. I can only ask about such an individual who is 58 or 59.

I appeal to the hon. member to understand the general principle of a guaranteed income. I hope we will soon be in a position to come to the aid of people who are in need, whatever their ages. The idea that there will be some great solution to our social security problems in dishing out hundreds of millions or even billions of dollars to people between the ages of 60 and 65 including those who might not need it, is not realistic. That is not the way to come to the aid of needy people in our society.

I urge the hon. member that he really look at this proposal and see the purpose of it in the broader context of a general guaranteed income for all those in need, whatever the age or condition.

SOCIAL SECURITY—SUGGESTED AMENDMENT TO CERTAIN PENSION PROGRAMS—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, sometimes I get a shock here. This is the second time I have been on my feet in one day. I sometimes wonder why I am not recognized during the question period, so thank God there is a late show once in a while.

The subject of my question is closely related to the matter dealt with by the hon. member for Winnipeg North Centre (Mr. Knowles). On October 15 I asked whether any consideration was being given, in consultation with the provinces, to increasing the national minimum of $75 a month in allowances for the blind and disabled. I appreciate the minister's answer as I know he is aware of the problem. He indicated his government was trying to do away with special categories by introducing a guaranteed annual income. I agree to some extent that this is a step in a desirable direction, but there are two categories of people, the blind and the disabled, who deserve immediate attention, perhaps even on an emergency basis, particularly as the increases in the cost of living have a greater effect on them than on the ordinary welfare recipient.

● (2210)

Surely it must be realized that those suffering exceptional incapacity deserve extra help because they suffer from adverse conditions? Surely the blind, the crippled, who under no circumstances can help themselves, in a great number of cases require some form of attendance, assistance, special nutritional foods, and so forth? Surely the bedridden and the permanent cripple who was born with defects cannot manage to exist under the strain of rampant inflation?

I believe these people are deserving of consideration. Surely the mentally retarded, the person suffering from cancer, or the person with a tumor are deserving of exceptional incapacity allowances even perhaps in cases where the husband or spouse is earning an income over the maximum allowable?

The Blind Persons Act an the Disabled Persons Act are under provincial aegis and it is their responsibility. Yet when I approach the provincial government I am told I should take up the matter with the Department of National Health and Welfare.

All of us would like to see a guaranteed annual income. I realize the difficulty the minister has in compiling all the various fixed income programs. It does not look as if we will have a guaranteed annual income in the very near future. If we are to await the result of the pilot project that is taking place in some areas under federal-provincial co-operation, these incapacitated people will continue to suffer. In the meantime what do the blind people do in order to cope with the increases in the cost of living? All I can say to the minister is that while I appreciate he is confronted with various problems, in the meantime an emergency situation exists in Canada in respect of these people who have been born with defects with which they cannot cope.

The bill that has been passed tonight in respect of the allowances for veterans will mean additional income. All I can do is appeal to the minister again to take the initiative. I realize the provinces are at fault. I even blame my own province where we have a government whose policies coincide with those of the official opposition. However, I hope that something can be done to help these people cope with the serious situation facing them.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I appreciate the comments of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) on this particular issue. The points he has indicated are quite correct particularly with regard to the province of Newfoundland which has elected to retain the Blind Persons Act. However, between the guaranteed annual income of the near future and the Blind and Disabled Persons Acts of the present there is another option available to the province. But it is up to the provincial government to take advantage of the Canada Assistance Plan. I should like to take a few minutes to clarify the situation.

As the hon. member knows, under the Canada Assistance Plan the granting of assistance is based on the need of an individual or family as determined by the province, rather than on the categorization which in the past limited assistance to those who were blind, disabled, aged or unemployed. This philosophy was formally embodied in the Canada Assistance Plan which was introduced in 1966. Through agreements with the provinces under this act, the federal government shares in the cost of providing financial assistance and welfare services to all persons who are in need for whatever reason.

Because of the limitations of the categorical programs which preceded the Canada Assistance Plan, it was decided that, effective 1981, the federal government would cease to participate in these programs, namely the Blind Persons and Disabled Persons Acts. Most provinces have in fact ceased to accept applications under these programs and have transferred recipients to their more comprehensive assistance program.

However, some blind and disabled persons could not qualify for the greater benefits available under the comprehensive program, primarily because their assets exceeded the allowable limits. Therefore, as of March 31, 1974, Manitoba and New Brunswick were still accepting applications under both the Blind and Disabled Persons Act, while Nova Scotia, Prince Edward Island and Newfoundland were only accepting them under the Blind Persons Act. At the end of the last fiscal year there were 1,814 recipients of blind persons allowances and 4,369 of disabled persons allowances.

While it is true that allowances have not been increased recently under these programs, the mechanism by which applicants are assessed is less stringent than that under the Canada Assistance Plan. Therefore, recipients are usually allowed more assets, and federal payments such as family allowances and OAS/GIS are not counted as heavily in determining eligibility. I would also like to make clear that in those provinces where applications are still being accepted under the categorical programs, supplementary benefits under their assistance programs are available.

With the completion of the federal-provincial review of Canada's social security programs I am confident that problems such as those created by the categorization of assistance recipients can be resolved, as I indicated to the hon. member in the previous answer.

PUBLIC SERVICE—REQUEST FOR ELIMINATION OF REGIONAL WAGE DISPARITIES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on October 11 I asked a question of the newly appointed President of the Treasury Board (Mr. Chrétien) regarding his intention to work toward the phasing out of regional wage inequalities. I pointed out that this was a commitment made during the recent election campaign by some Liberal candidates in the Atlantic area.

I do not raise this matter in a spirit of sarcasm but merely to put on the record that, for example, Mr. Patterson, the candidate who ran against the hon. member for Dartmouth-Halifax East (Mr. Forrestall), was very emphatic about this. He is reported in the Halifax *Herald* in June as saying that he was winning support within the ranks of his party for his policy of wage parity for several workers in the area. He said that a motion to this effect was endorsed at a meeting of Atlantic Liberal candidates in Halifax, and he claimed that he had won the support of three cabinet ministers for equity and was putting the question to every cabinet minister who visited the area. Another candidate who ran unsuccessfully against a former deputy speaker of this House expressed similar sentiments in the press.

The cabinet of this administration, Mr. Speaker, has on some occasions expressed sympathy for the concept of working out ways to stop the practice of one department undoing what the Department of Regional Economic Expansion is trying to do.

In response to what I asked concerning his attitude toward the perpetuation of regional wage inequities, on October 15 in committee the Postmaster General (Mr. Mackasey) said:

> My own basic philosophy—and I do not like to evade the question—is that there has to be some consistency in government policy. When we apply minimum wages we apply them across the country. If you are going to reduce regional disparity, you are not going to reduce it by perpetuating—

The minister went on to say that he never believed the cost of living in Halifax, for example, was substantially lower than in central Canada.

I would like to urge the President of the Treasury Board to make a policy commitment to work actively toward phasing out this practice of paying people under his employ less money in one part of the country for the same kind of work their brethren are doing in a different part of the country.

At the present time PSA negotiators are dealing with the Treasury Board on wage issues in the general category of labour and trades in the Atlantic region. In this context, it is necessary to quote from a letter written by the former president of the treasury board on July 16 this year in answer to an inquiry from my colleague, the hon. member for Dartmouth-Halifax East, relating to the statements of Liberal candidates that I referred to earlier.

● (2220)

The then president of the treasury board in his letter of July 16, 1974, which I shall quote in part, said:

> It is not desirable to create a general disparity between Public Service rates in lower-income areas and those paid by private industry and other levels of government. The provincial governments, on their part, are sensitive to federal Public Service rates of pay which are in excess of their rates.

From my knowledge, the trend is not that federal civil servants are paid more than their counterparts in provincial or private sector employment. In many cases it is the direct opposite. I refer to a situation which arose not many months ago involving nurses under federal jurisdiction, who were paid less than their sisters in the private sector and, in some cases, those working for the provinces.

In the Halifax area there is substantial differential in the pay of certain trades. Boilermakers employed federally made approximately $2.63 an hour less than their counterparts in provincial or private employment. Electricians make approximately $2.44 an hour less and labourers $2.12 less, even when one takes into account fringe benefits which have been made available to those employed in the federal public service and not available to those employed in the private or provincial sector.

I suggest that not one premier of Canada actively supports the type of wage policy espoused by Treasure Board at this time. I know that it is impractical to end regional pay differences in one fell swoop. As an interim measure it should be possible to achieve parity with the best paid people in a region. I believe the PSA is adopting a policy of designating areas within so-called depressed regions. For example, in Nova Scotia it would be Halifax, and in Quebec, Montreal and so on.

In those areas the standard of wages could be determined and Treasury Board could make sure that a wage equivalent to that paid in other sectors is paid to those in federal employ, even if one takes into account fringe benefits. The PSA, as an interim measure, wants wage equality in the different regions of the country.

I hope the President of the Treasury Board adopts the philosophical attitude which was shown recently by the Postmaster General in committee. Let him assure us that in future he will end the practice which runs counter, as the Postmaster General among others said, to the aims in the various regions, of the Department of Regional Economic Expansion.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, without doubt there are clearly identifiable regional labour and pay markets in Canada for certain occupations. The hon. member alluded, I think, to the possibility of setting up pilot projects in places like Halifax and Montreal, under which rates of pay could be set.

Rates of pay, pay systems, and administrative rules governing pay in that part of the federal public service for which the Treasury Board is the employer, are items that are subject to negotiation under the Public Service Staff Relations Act. That we must bear in mind. Consequently, changes in pay systems cannot be made unilaterally by the government as employer. Any modifications of present regional rate systems and the extension of regional pay systems to other occupational groups can only flow from agreements between the government as employer and the bargaining agent, or from awards rendered by the arbitration tribunal.

It is the policy of the government as employer to try to bargain regional rates with certified bargaining agents where it is feasible and appropriate to do so; that is, for those groups where public servants are located in two or more regions of Canada, where the pay data for similar occupational groups in the private sector indicate significant regional variations from the Canadian average, and where the area of recruitment and the mobility of employees within the public service are limited.

These circumstances are typically found in groups in the operational category and the administrative support category, but they exist in groups in other categories as well. Paying national rates of pay in such circumstances can only result in some public servants receiving less than their counterparts in their region and others receiving rates in excess of those prevailing in their particular region.

To adopt a simplistic approach, paying one rate for right across Canada, in essence begs the question, begs the reality.

Mr. Deputy Speaker: Order, please. The motion to adjourn this House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10:27 p.m.

HOUSE OF COMMONS

Tuesday, October 22, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

TRANSPORT AND COMMUNICATIONS

First report of Standing Committee on Transport and Communications—Mr. Campbell.

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

First report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Trudel.

VETERANS AFFAIRS

First and second reports of Standing Committee on Veterans Affairs—Mr. Boulanger.

AGRICULTURE

First report of Standing Committee on Agriculture in both official languages—Mr. Smith (Saint-Jean).

[*English*]

JUSTICE AND LEGAL AFFAIRS

First report of Standing Committee on Justice and Legal Affairs—Mr. Poulin.

[*Translation*]

NATIONAL RESOURCES AND PUBLIC WORKS

First report of Standing Committee on National Resources and Public Works in both official languages—Mr. Ethier.

[*Editor's Note: Text of foregoing reports appears in today's Votes and Proceedings.*]

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[*English*]

IMMIGRATION

STATEMENT ON CHANGES IN REGULATIONS

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, today I wish to announce specific changes in the immigration regulations, which are being made in the interests of prospective immigrants as well as Canadian citizens. They will be applied universally and will be non-discriminatory.

Some hon. Members: Hear, hear!

Mr. Andras: The reunification of families remains a fundamental principle of Canadian immigration policy. The government's objective is not to cut back immigration but to moderate the rate of growth.

Mr. Speaker, we Canadians take pride in the fact that we are a nation of immigrants. Even those of us whose families have been in this country for many generations can trace our roots to other lands, other continents. Our nation was built by immigrants and sustained by immigrants. Throughout Canada's history, our national spirit has been continually enriched by new Canadians from other lands. Immigrants opened up this country and pushed back the frontiers. They helped develop Canada as a modern industrial nation. In no small measure they are responsible for our present economic development, our present quality of life.

● (1410)

Canada has always had a strong attraction for people of other parts of the world, and in the last two years this attraction has been growing at an almost unprecedented rate, now accelerating as other countries begin to close down or reduce immigration. The number of people seeking to immigrate to Canada in the first six months of 1974 increased by almost 48 per cent over the substantial level of 1973. Immigrant landings in the same period are 47 per cent more than in the equivalent period in 1973, and 92 per cent more than the same period in 1972. At the present rate, we will land more than 200,000 immigrants in Canada in 1974, and significantly more in the next few years.

But, Mr. Speaker, immigrants are not statistics; they are people. They are people who need jobs, houses, schools and social services. I am announcing changes in our immigration regulations because immigrants are applying for entry and arriving in increasing numbers at a time when employment levels may well be uncertain, when housing is scarce and expensive and many social services are strained to a critical point. These strains are felt particularly in our three major cities where more than one half of the immigrants who arrive this year will settle.

It is important to emphasize that the government must exercise concern for the well-being of prospective immigrants as well as protect our own citizens. It would be irresponsible for the Canadian government to admit more immigrants than we can adequately provide with fundamentals such as jobs, housing and social services. All hon. members are aware that we are working hard on a green paper on immigration. This is a study of population and immigration which will provide the basis for widespread public debate on these topics. It will discuss some of the

options in these fields available to the government. The green paper will be tabled in this House in the near year, but it will be late in 1975, at the earliest, before new immigration legislation could be expected; and it might be mid-1977 before it would have substantial effects on the immigration flow.

In the interim period, Mr. Speaker, the government has a responsibility to maintain stability in the immigration flow for the reasons I have stated, and so that public debate on new legislation may take place in an ordered and reasonable atmosphere. To provide this stability and lessen the rate of increase in immigrant landings in the months immediately ahead, we are therefore making certain interim changes in the regulations under the present act.

I want to emphasize that the government is taking these steps only after the most careful consideration, and it is taking only those steps which are consistent with the three basic principles of our present immigration policy: first, universality and non-discrimination in the application of selection criteria; second, family reunification; and third, the meeting of Canada's labour market needs.

Mr. Speaker, I wish to inform the House that the following specific changes in the immigration regulations have been approved, effective today, to apply to applications received from this day forward. First, when assessing all independent and nominated applications, the visa officer will in each case, after totalling all the points to which the applicant is entitled under the existing selection system, then determine whether the applicant has satisfactory evidence of bona fide prearranged employment or is going to a designated occupation. In the event that this is not the case, ten points will be deducted from the total achieved.

Second, prospective independent and nominated applicants for immigration to Canada will receive credit under immigration regulations for prearranged employment only when it has been established, normally through a Canada Manpower centre, that no Canadian citizen or permanent resident is available to fill the vacancy. It is more important to note that since at least 50 points are required to gain admission to Canada, independent and nominated immigrants who score 60 points or more would not be affected by these changes. These adjustments take into account the natural concern of permanent residents in Canada about job opportunities. They are also designed to protect immigrants themselves who might otherwise have great difficulty finding jobs, housing or access to social services.

I want to emphasize that the changes I have just outlined do not—I repeat, do not—apply to sponsored immigrants, that is, to close relatives of Canadians or of landed immigrants. These close relatives will continue to come to Canada under the same conditions that have been in force for several years. The new regulations will apply in exactly the same manner to both the other categories, the independent and nominated immigrants, no matter where they were born or at what post they submit their applications. Again I emphasize that the changes will affect applications received from today forward, but not those already on hand. In other words, they are not going to apply retroactively.

[Mr. Andras.]

The new regulations will have no impact on Canada's traditional concern for, and response to, the persecuted and the displaced. We will continue to deal compassionately with refugees, victims of oppression or cases where other humanitarian considerations apply. Also, the new regulations will not prevent employers with a genuine need for labour which is unavailable in Canada from selecting immigrants to meet their needs. Indeed, when conditions warrant, this action will enhance our ability and we will take steps to help speed the entry of workers destined to employers whose requirements are particularly pressing.

Hon. members are well aware of the government's concern about the level of Francophone immigration to Canada. While immigrants from all countries will be affected by the changes, I want to stress our resolve to continue to encourage the flow of Francophone immigrants to Canada within the constraints established by the new regulations.

The changes that I have announced represent the fairest, the most just and, I think, the most equitable measures that we could find to deal with the anticipated increased flow of immigrants to Canada in the months ahead; and they are far less sweeping and more satisfactory than those changes we would be forced to contemplate a year or two from now if we did not act today.

Mr. Jake Epp (Provencher): Mr. Speaker, first I should like to thank the minister for making his statement available to me well in advance of the sitting of the House today. Having had statements respecting changing the regulations from both the Prime Minister (Mr. Trudeau) and the minister—not only in the House but outside—during the last week or ten days, the minister's statement today came as no surprise. In my opinion, the minister's statement is a reflex action to a much larger problem than that to which the minister is giving credence. The problem is: what type of immigration and population policy will Canadians have in the 1970s and onward as we look at future growth in Canada?

● (1420)

From our point of view this statement is one of absolute confusion. The minister said early in his statement, "The government's objective is not to cut back immigration but to moderate the rate of growth." Through you, Mr. Speaker, I would ask the minister what that statement means. First, he does not want to cut back immigration but he wants to cut back the rate of immigration.

An hon. Member: No. The rate of growth.

Mr. Epp: All right, the rate of growth. But that and the immigration rate is the same thing. I agree with the minister when he points out the desirability of Canada as a potential area for immigrants, especially in light of the present situation when many countries of the industrialized world are closing their borders to immigrants, specifically New Zealand and Australia. However, the statement again points out that the government still accepts the so-called TAP policy on immigration. That is a policy which ties the volume of immigration supposedly to job openings or to the rising unemployment rate. That means that as unemployment increases, we reduce the rate of

immigration; and as unemployment drops, we increase the rate of immigration.

To me, this statement clearly indicates that this government fears the winter of 1974-75 because a rise in the rate of unemployment will mean a cutback on immigration as jobs will not be available. That is what the government is saying in this statement. This is a knee-jerk reaction to something the government desperately fears. It just does not know which way to move.

We must keep in mind that immigrants not only take jobs and are workers; they are also consumers and they stimulate the economy. There must be a fine balance between the number of jobs we want to make available to immigrants and the number of jobs they actually create. Furthermore, the statement clearly points out that the government is still plodding along—and will do so up to 1977, for the matter—hopefully legislating by regulation. I would ask again, where is the green paper? We have reason to believe that it can be presented in the very near future. Surely the expression of Canadians regarding future population growth as indicated in the briefs presented when the green paper was compiled should be related to the demand and the need for future Canadian immigration policy.

The government says it is now going to bring in another regulation while the green paper is in the process of being developed. I suggest this is just another reaction to the problem. Clearly, what we need is a balanced immigration policy. This immigration policy for Canada, to my mind, is geared to the centralist view, that is, the general view of the industrialized areas of Ontario and Quebec. As unemployment increases in those areas, you reduce immigration.

Let me point out—I am sure the minister is aware of this—that there are other regions of this country which desperately need workers, particularly western and northern Canada. We have been able to fill some of these job vacancies only with immigrants who were willing to take them and apparently Canadians did not want the jobs. While restricting regulations are necessary and are dictated by areas of unemployment, there are other areas of Canada which need workers to hammer nails, to lay floors and to work in stores. We need workers in Alberta and in northern Canada. Is the minister now saying that we are to have a complete reduction in immigration? Is he suggesting that although there are jobs available in some areas, we are to have a universal restriction and reduction? I say this is a policy which must take regional factors into consideration very definitely. In respect of the regulations the minister has brought in he has tied them to an extent to job openings.

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member because, in fact, the minister's statement was a long statement on a very important subject. I have already accorded the hon. member as much or frankly a bit more time than the minister had. As I say, I hesitate to interrupt him but I feel the hon. member really ought to try now to get near the conclusion of his remarks. There are two other hon. members who wish to be heard on this subject.

Mr. Epp: Thank you for your indulgence, Mr. Speaker. In conclusion I should like to suggest to the minister that the regulations he has brought in today have already been in operation in various immigration offices across the world. He says, not directly. I believe there are very direct practical implications to that. Further, I should like to suggest that the minister should give us more clarification in respect of these regulations. For instance, how long have these regulations which he announced today been in the offices.

My last point is a sensitive matter relating specifically to Francophone immigration. I feel the minister has merely touched this sensitive area, and I should like him to explain in much greater detail whether or not the ten points will be deducted if Francophone immigration is encouraged. Will the ten points be deducted if no jobs are available?

The statement points out that changes in the 1952 and subsequent regulations are necessary. I hope the minister will take to heart that what is needed is a comprehensive program and not simply the amendment of regulations from time to time in respect of a problem which already exists.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, there are some things in the statement of the minister with which we wholeheartedly agree and which we welcome. The first is that family reunification, as a basis for immigration policy, remains the same as before. This is as it should be. We also welcome the fact that the new regulations will not have a negative impact with regard to Canada's concern for refugees, the persecuted and the displaced. However, we believe that instead of the problems of refugees being dealt with on an ad hoc basis as each emergency arises, regulations or legislation should be prepared specifically setting out conditions on which refugees may be admitted to Canada.

We, of course, agree with the minister that immigration must depend upon opportunities for employment, housing and social services in Canada. But it is because of the failure of the government to provide adequate and full employment policies and the failure of the government's economic policies that we are now having to consider the restriction of the flow of immigrants into Canada.

No one will deny that the immigrants coming into Canada have been responsible for the growth of this country, for the variety of cultures that have enriched Canada and which have conferred many benefits on Canada. But we must seek an expanding economy in which the great resources of Canada can be used to accommodate an increased flow of immigrants, and in which restrictive measures can be removed.

● (1430)

We find it rather odd to learn that the government is making such a fanfare about these new immigration regulations. The fact of the matter is that on February 21, 1974, by P.C.318 of 1974, regulations were made which restricted immigration of independent applicants and of nominated relatives to those who had arranged definite employment in Canada with reasonable prospects of continuity in meeting local conditions of work and wages or where

there was occupational demand. The new regulations do not seem so very different. The mountains have laboured and have produced a mouse.

Of course, we welcome the minister's assurance that universality and nondiscrimination is a basic principle of our present immigration policy. We trust that under no circumstances will any Canadian government be tempted to depart from this policy. Indeed, we would like to see it applied more realistically by making the immigration facilities available on a more even basis throughout the world.

Lastly, we note that the government is working hard on a green paper on immigration but that we need not expect the immigration legislation until 1975. We wonder if even that is a serious deadline. There have been no substantial amendments to the Immigration Act since it was passed some time in the 1940's. In 1966, the government published a white paper which proposed numerous changes in obsolete sections of the Immigration Act. The minister then was the present Minister of Transport. This was supposed to be the prelude to early legislative action. It is now six years later and it looks as though we shall not get any amendments to the Immigration Act until approximately ten years after this official document setting out policy was produced.

However, perhaps it would be less than generous not to admit that if the present minister, unlike most of his predecessors, stays on the job and lives up to the promises made, we may at last have a new and more up to date Immigration Act, if not in 1975, perhaps in 1977.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I listened very carefully to the statement of the hon. Minister of Manpower and Immigration (Mr. Andras) and I noted that it contained some good points. Among other things, the reunion of families remains one of the basic principles of the Canadian immigration policy. We agree completely on this point. We understand that there can be special circumstances, and on the basis mostly of humanitarian principles, we want to help people in difficult situations.

The minister also said that immigrants have opened this country and pushed the frontiers back. We also agree about this, since reports on immigration at various periods show that less than 350 years ago, the first European settler, Louis Hébert, arrived at the Quebec City trading post. He was later followed by immigrants of various nationalities. However, we should control closely the arrival in Canada, under favorable circumstances, of selected immigrants. There are standards to be met if we do not want to get undesirables.

Advertising must also be controlled closely and overly attractive propaganda which often prepares the immigrant to more hardships than success must be curtailed if necessary. Seeing publicity pamphlets showing Canada as an overly promising country, foreigners often decide to immigrate to Canada and find themselves unemployed a few months later. This is unfair both to the unemployed Canadians and to the immigrants who cannot find employment. All appropriate efforts should be made in order to establish the necessary contacts between employers and employees, to ensure that our available manpower can find desirable jobs, before thinking of expanding various immigration programs.

I know it is not always easy to find the right solution to the many problems in the field of manpower, but it should be much easier to come to an agreement with our own citizens by allowing our young people to get some experience, even in temporary jobs, despite the fact that employers require, and rightly so, experienced people in the jobs they have to offer.

Accordingly, if we counsel our young people and all those who want to work in Canada, we would accommodate the employers; I feel that we should limit immigration at least until such time as the unemployment situation has stabilized in Canada.

* * *

[*English*]

CONSUMER AFFAIRS

SUGGESTED IMPLEMENTATION OF RECOMMENDATIONS OF FOOD PRICES REVIEW BOARD CONCERNING GROUND BEEF—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, under the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity. A study conducted by the University of Guelph, the results of which were released by the CBC last Sunday, showed that of 108 samples of ground-beef taken from 28 supermarkets representing the major chains, 46 per cent contained staphylococci bacteria that are dangerous and capable of causing food poisoning. Therefore I should like to move:

That the government give immediate consideration to implementing the recommendations contained in the Food Prices Review Board report on ground-beef released on June 6th, 1974.

Mr. Speaker: The House has heard the terms of the motion being proposed persuant to Standing Order 43. It requires the unanimous consent of the House. Is there consent that it be debated?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the motion cannot be debated at this time.

* * *

[*Translation*]

ENERGY

MAINTENANCE OF DAYLIGHT SAVING TIME TO CONSERVE ENERGY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of extremely urgent and pressing necessity.

In view of the fact that daylight saving time makes it possible to conserve energy to an appreciable degree, I

move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the government immediately enter into consultations with the provinces for the purpose of enforcing daylight saving time throughout the year.

Mr. Speaker: The house has heard the hon. member's motion. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

ORAL QUESTION PERIOD

[*English*]

IMMIGRATION

ESTIMATED NUMBER OF IMMIGRANTS BEFORE AND AFTER CHANGES IN REGULATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Manpower and Immigration arising out of the statement he made to the House in which he indicated that the purpose of the change in the regulations was not to reduce the amount of immigration but to slow down the rate of growth. I therefore assume that the statement is based upon certain estimates as to what the rate of immigration would be in the future. Can the minister indicate what the estimated number of immigrants to Canada would be in the year 1975 if these regulations had not been changed?

● (1440)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, based on the trends which we have been observing and extended, we estimate that the number of landed immigrants, in the absence of these regulations, in 1975 would be as high as between 250,000 and 260,000.

Mr. Stanfield: A supplementary question, Mr. Speaker. Can the minister estimate the extent to which the number of landed immigrants will be reduced as a result of these changes in the regulations?

Mr. Andras: Mr. Speaker, without wanting to sound evasive I can only give the Leader of the Opposition some indication based on the simulation applied to the pattern of applications we had in 1973 and 1974. We would think that the figure would not be more than 200,000, as opposed to the potential 250,000 or 260,000 which we otherwise forecast. I must, however, again indicate that changing the nature of applications from any given country in the nominated or independent categories in adjustment to the new regulations would vary the number somewhat.

FORECAST RATE OF UNEMPLOYMENT ON WHICH CHANGES IN REGULATIONS BASED

Hon. Robert L. Stanfield (Leader of the Opposition): One further supplementary question, Mr. Speaker. I recognize that the minister can only make an estimate based upon many variables. One factor influencing the minister to make these changes must have been the estimated rate of unemployment in Canada for 1975. I ask the minister to make a forecast himself. On what rate of unemployment as forecast did the minister base his position?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think the Leader of the Opposition would be very, very surprised if I fell for that suggestion!

Some hon. Members: Oh, oh!

Mr. Andras: I take that back. I would not be surprised at anything the Leader of the Opposition did.

An hon. Member: Shame!

Mr. Andras: I can only say in all honesty—

Mr. Fairweather: The minister is not being honest.

Mr. Speaker: Order, please. The Leader of the Opposition has asked a question and the minister should be allowed to answer.

Mr. Hees: Forget the honesty; answer the question.

Mr. Andras: Mr. Speaker, I do not want to offend my hon. friend from Prince Edward-Hastings by referring to such a thing as honesty. The fact of the matter is that in this country, with its favourable economic situation compared with that of other countries in the world, we are attracting immigrants and we would be unrealistic not to sense that there are difficulties ahead in the international economic situation, which we all face. The rate of unemployment has increased during the last two or three months. We forecast the possibility of having to attend to this over the winter months, as will every other country in the world, in Europe and elsewhere, is facing these problems.

EFFECT OF SPONSORED IMMIGRANTS ON UNEMPLOYMENT

Mr. Jake Epp (Provencher): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. In his statement the minister indicated that the new regulations do not apply to sponsored immigrants. Can the minister clarify whether, if such sponsored immigrants go to areas of high unemployment, what job instructions, training or information will be given to them, so that they may go to areas where there are some job vacancies and yet not violate the re-unification of families principle.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, sponsored immigrants are very close relatives, fathers, mothers, dependant children, and so on. The hon. member can get a list. It is our experience based on a very thorough analysis that that closeness of relationship means that they do go to the

family. They are not like those in other categories whose entry is based more on job availability or attachment to the labour force. That is fundamental if we are to maintain the principle of recognizing that these kinds of immigrants, that is, sponsored relatives, do not, by the same token, cause us difficulty with unemployment.

HONG KONG OFFICE—REQUEST FOR MORE RAPID PROCESSING OF APPLICATIONS

Mr. John Gilbert (Broadview): A supplementary question, Mr. Speaker. In view of statements that it takes two or three years for an application to be processed in the Hong Kong office for Chinese immigrants, will steps be taken by the minister and his officials to speed up the processing of applications in that country?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we did, in recognition of the growing number of applications and landings, institute two or three months ago administratively, a system of priorities to try and even out the work flow throughout our 58 offices abroad. I just had occasion to ask for a report on the exact number of days that sort of thing is taking with regard to applications from that part of the country. We are doing our best to even out the flow. Hong Kong at the moment has a heavy backload and I think it has taken about three months to deal with the priority sponsored applications. The next priorities are both independent and nominated immigrants who are job-ready, and so on. But we are limited in our resources. We are limited in our ability to move people around the world quickly, because the situation changes over a period of months.

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[*Translation*]

HOUSE OF COMMONS

COMPARISON OF SALARIES OF FEDERAL AND PROVINCIAL MEMBERS—GOVERNMENT ACTION

Mr. Speaker: Has the hon. member for Témiscamingue a supplementary?

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, it is not a supplementary but a new question that I want to ask the President of the Privy Council.

Is a study being made on the salaries paid to provincial members, particularly in Quebec, in order to establish a comparison with those paid to federal members? If so, what does the government intend to do in that respect?

[*English*]

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I understand that members of parliament in their capacity as private members are studying these comparisons. The government in due course will be looking at the results of their studies.

[*Translation*]

Mr. Caouette (Témiscamingue): I have a supplementary, Mr. Speaker. Everybody is asking for the alignment of income and wages on the rise in the cost of living, even federal public servants earning $45,000 or $50,000 a year. Now, all hon. members agree on this subject, but not all of them have the courage of saying so since the cost of living is increasing as much for hon. members as for others. I would ask the President of the Privy Council if he intends to make a decision or to take action of some kind in order to treat the federal hon. members just like all other Canadian citizens?

[*English*]

Mr. Sharp: Mr. Speaker, it is my intention to try to persuade the government to bring forward some proposals about members' salaries. I hope we will have non-partisan support on this issue, which I think is very important, and that members of the House will not try to play politics with what I believe is a very important question.

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STORMS

ATLANTIC PROVINCES—REQUEST FOR AID FROM PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is directed to the Acting Prime Minister. I revert to the question raised yesterday concerning serious storm damage in Prince Edward Island. I see the minister from that province is now back. In that province many power lines are still down and crop damage is most severe. Can the Acting Prime Minister advise what is being done in this critical situation; specifically, what request or requests for assistance have come from the government of Prince Edward Island.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the emergency organization within the federal service has given me a report on the damage that has occurred. I am happy to say that it is their impression that at least the emergency is over. The cost is now being counted. As I indicated yesterday in the House and am happy to confirm again today, the federal government stands by its offer to help if the costs will be more than would ordinarily be paid by the province or the municipalities.

ATLANTIC PROVINCES—FEDERAL MEASURES TO ASSIST NOVA SCOTIA

Mr. Robert C. Coates (Cumberland-Colchester North): A supplementary question, Mr. Speaker. I wonder if the Acting Prime Minister can indicate if he has communicated with the government of Nova Scotia about the situation in that province and received any report of the estimate of damage that has occurred. I have had a report from my constituency that on the Parrsboro shore the electricity is still out and there is every indication it will be out at least for another week. People are suffering a great deal of hardship as a result of the damage in that area.

● (1450)

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, the federal militia has been co-operating with the government of Nova Scotia. In Sydney, Glace

Bay and New Waterford, for example, the militia was sworn in to do civilian duties because of the blackout. We have been co-operating in every way we can and helping in the emergency. We have not had any request from the government of Nova Scotia for financial assistance but we probably will.

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SPORTS

VOLLEYBALL—ALLEGED CONFLICT OF INTEREST OF EXECUTIVE DIRECTOR OF CANADIAN VOLLEYBALL ASSOCIATION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that the executive director of the Canadian Volleyball Association, whose title falls under the minister's department, operates a private importing business called Sports Quip out of his federal office in the Sports Canada building in Vanier, and because his Japanese product will probably be the official volleyball of the 1976 Olympics as well as the Canadian Volleyball Association, thus greatly damaging the over-all Canadian sports goods industry, can the minister assure this House that immediate steps will be taken to overcome this obvious conflict of interest?

Mr. Paproski: Hanky panky!

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows the Canadian Volleyball Association is a voluntary organization and its employees are not public servants. I am glad that the hon. member has raised this question, however, and I am sure that particular association will look into this matter. I will draw the hon. member's representation to its attention. I only hope it does not compete too much with the hon. member's own business.

Some hon. Members: Hear, hear!

Mr. Jelinek: Mr. Speaker, a point of order on the reference by the minister that I am involved in the sporting goods business. I should like to assure him and all hon. members that I took all necessary steps to sell all my shares in the sporting goods industry prior to running for federal office in 1972.

Some hon. Members: Hear!

Mr. Jelinek: While I am on my fee, Mr. Speaker, I should like to put a supplementary to the Minister of Consumer and Corporate Affairs.

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

Oral Questions

PUBLIC WORKS

REQUEST FOR TABLING OF ANNUAL REPORT OF DEPARTMENT

Mr. J. R. Ellis (Hastings): Mr. Speaker, may I ask a question of the Minister of Public Works with regard to a report that has not been tabled in this House. The annual report for the Department of Public Works for last year has been floating around so long it has his predecessor's name on it. Since the report differs from the regular estimates by over one quarter of a billion dollars, would the minister like to have the committee open the discussion for one more meeting since he did not feel it worth while to attend the last meeting?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, if the hon. gentleman would check with the table I think he would find that the report has been tabled.

At the same time, Mr. Speaker, the hon. member for Peace River, who raised a question of privilege yesterday, apparently misunderstood or was ill-advised that the report would not be ready for a week. This information was incorrect and I regret the inconvenience it caused him.

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HOUSING

PROMISE OF $500 TO BUYERS OF NEW HOMES—REASON FOR DELAY IN IMPLEMENTATION

Mr. R. E. McKinely (Huron-Middlesex): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. How soon can we expect the promise of the $500 grant to first home buyers to come about and will it apply to mobile homes in certain categories? We were assured as late as mid-September that the minister wanted to have this election promise initiated as soon as possible, so why is the legislation not on the order paper?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, this is something the government is examining regularly. I indicated in my address in the Throne Speech debate that a decision will be made as soon as resources permit. In so far as mobile homes are concerned I am looking into this because I am very interested in the use of mobile homes or manufactured homes to supplement housing stock.

Mr. McKinley: A supplementary question, Mr. Speaker. In view of the fact that the Prime Minister said a few days ago that the government had some four years to bring this promise about, is the legislation being delayed by the minister on the instruction of the Prime Minister?

Mr. Danson: No, Mr. Speaker, I have had no instructions from the Prime Minister at all. I am just using my own good judgment.

Oral Questions

NORTHERN AFFAIRS

ALLEGED ILLEGAL HUNTING ACTIVITIES BY GAME SUPERINTENDENT OF NORTHWEST TERRITORIES—REQUEST FOR INVESTIGATION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I should like to put a question to the Minister of Indian Affairs and Northern Development. In view of the fact that the National Indian Brotherhood of Canada, the Metis Association of the Northwest Territories, the Native Council of Canada, the Inuit Tapirisat of Canada and myself have called for a public investigation into the alleged misuse of public funds and illegal game hunts conducted by the game superintendent and approved by the Commissioner of the Northwest Territories, will the Minister indicate when such an inquiry may be expected to being and if no such inquiry is contemplated, why not?

An hon. Member: Right on.

Some hon. Members: Hear, hear!

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, this problem is basically one to be resolved within the territorial council. It is my understanding that as a result of the inquiry which was conducted there have been some changes in personnel. All of the groups to which the hon. member referred have had consultations with the commissioner and I understand it has been agreed to establish an advisory group to advise the commission on matters pertaining to game. I believe this is acceptable to all the groups concerned and each would have a representative on it. In addition, they will be represented on the selection board which is to name a successor to the game superintendent in the Northwest Territories.

Some hon. Members: Hear, hear!

Mr. Firth: A supplementary question, Mr. Speaker. I acknowledge that this small council is being set up but that does not excuse the government from having a public inquiry into this matter and that is the basis of my question. I should like the minister to indicate to the House if there will be a public investigation and if not, why not?

Mr. Buchanan: No, Mr. Speaker, it is not my intention to ask for an inquiry. I think, everything being equal, there is a strong push for a greater degree of autonomy in the Northwest Territories and I think they should resolve these internal problems themselves.

Mr. Firth: Mr. Speaker, a point of order. To give such power to an appointed civil servant, namely the Commissioner of the Northwest Territories who does not have to answer to the people of the Northwest Territories or to the minister responsible does not provide anything closely resembling autonomy.

[Mr. Danson.]

[Translation]

PUBLIC SERVICE

ISOLATION PAY FOR NORTHERN OFFICIALS—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the President of the Treasury Board.

Since more than 800 federal employees in the North are now receiving up to $360 a month in isolation pay, would the minister tell the House if this bonus will be maintained? If not, why should it be dropped, and how is the phasing out or other termination to be carried out?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, there is no question at this time of dropping the isolation pay to employees working in truly remote areas of the North. Although we do review cases from time to time, insofar as certain villages are becoming less remote and others increasingly so, policy remains unchanged.

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● (1500)

[English]

ENERGY

ALLEGED REDUCED RATE OF EXPLORATION FOR OIL AND GAS—GOVERNMENT ACTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. As more than 50 oil and gas drilling rigs have left Canada so far this year for other fields, and as this has resulted in a reduction of 23 per cent in the rate of exploration for oil and gas in this country, would the minister advise the House what plans the government has made to restore the exploration rate for oil and gas to at least last year's rate?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): One of the reasons given by the industry for drilling in the United States is the higher price which can be gained in the United States for new oil. The position taken by this government is that there should be a single price for Canadians maintained well below not only the international price but also well below the price at which oil is obtainable in the United States. This means we do not believe Canadian consumers should foot the bill.

Some hon. Members: Hear, hear!

Mr. Hees: Are we to take it, then, that the government is satisfied about the decrease in the rate of exploration for oil and gas and intends to do nothing whatsoever about it?

Mr. Macdonald (Rosedale): We know there is a high rate of exploration planned for this winter, particularly in the frontier areas where there are the best prospects for discovering future supplies of Canadian oil and gas.

Mr. Hees: That is not the way the oil industry tells it.

FINANCE

MAINTENANCE OF PROPOSED TAX ON OIL ROYALTIES—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): I should like to ask the Minister of Finance a question, Mr. Speaker, because I believe it was his budget that caused the trouble. Now that he has just returned from a discussion with the provincial premiers, has he reached the conclusion that for the federal government to tax on its royalties and provincial royalties on top of all the other money made out of petroleum and natural gas is wrongful and lacking in equity, and does he intend to correct this situation in his new budget, or even prior to the budget? I asked this question yesterday in the course of a speech I made, but the hon. gentleman's colleagues did not know the answer.

Hon. John N. Turner (Minister of Finance): I do not accept the preamble to the hon. gentleman's question. For a full answer he must await budget night.

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CONSUMER AFFAIRS

SPECULATION IN FOOD PRODUCTS—REQUEST FOR INQUIRY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the consequences to consumers of speculation in food commodities, would the minister say whether he is planning a full-scale investigation of the alarming increase in food speculation?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think that the question asked by the hon. member represents the feelings not only of the hon. members but also of the Canadian public. That is why the government has introduced in the Speech from the Throne a series of measures designed to fight inflation in all areas, including foodstuffs.

[*English*]

SPECULATION IN FOOD PRODUCTS—SUGGESTED EXTENSION OF POWERS OF FOOD PRICES REVIEW BOARD

Miss Flora MacDonald (Kingston and the Islands): Can the minister tell us whether any specific action is being taken such as the extension of the powers of the Food Prices Review Board to enable it to conduct an investigative inquiry directed particularly to food speculation?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I believe that this task can very well be undertaken by the Food Prices Review Board, under its present terms of reference. I am sure the hon. member's question will be printed in *Hansard* and that the Board Members will take due note of it. On the other hand, I intend to introduce later today the competition bill which will be one way of fighting abuses, and later again, a bill on profiteering.

[*English*]

SCIENCE AND TECHNOLOGY

INQUIRY AS TO STATUS OF MINISTER

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. In the Speech from the Throne at the opening of the 29th parliament several items appeared suggesting that the activities and responsibilities of the Minister of State for Science and Technology were to be enhanced. Since these reforms were not implemented and since the latest Speech from the Throne did not renew all of these commitments, are we to understand that the rule of this ministry is being down-graded?

Mr. Speaker: The hon. member for Okanagan Boundary.

Mr. Andre: On a point of order, Mr. Speaker. I asked a question related to status of the Minister of State for Science and Technology. The subject appeared to me to be important but apparently the minister did not hear me. I think it is important I should get an answer.

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INDUSTRY

FOREST INDUSTRY OF BRITISH COLUMBIA—REQUEST FOR GOVERNMENT ACTION TO AVOID LAYOFFS IN MILLS AND LOGGING CAMPS

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, in the absence of the Prime Minister I should like to direct my question to the Acting Prime Minister. Has the hon. gentleman prepared any reply to the message received from the president of the I.W.A. in British Columbia outlining the state of the forest industry in that province, describing the condition of that industry as desperate and asserting that only quick action by the federal government could head off further heavy layoffs in the mills and logging camps?

Hon. Mitchell Sharp (Acting Prime Minister): I thank the hon. gentleman for outlining to me the contents of the letter. I shall see whether there is a reply on my desk for signature.

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EXTERNAL AFFAIRS

SOVIET UNION—FREE EMIGRATION OF JEWS AS FACTOR IN TRADE NEGOTIATIONS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is to the Secretary of State for External Affairs. In Canadian negotiations with the Soviet Union, particularly with respect to trade, is Canada putting on the table the question of the free emigration from Russia of people who belong to the Jewish faith?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): On the question of the movement of people and the re-unification of families, the hon. member may recall that in my speech in the House last week I

referred to the conversation I had with the Soviet foreign minister in which he referred to the improvement which had taken place in the movement of people from the Soviet Union to Canada, especially since the conversations held between the Prime Minister of Canada and Premier Kosygin. He also took a very positive attitude as to what would probably take place in the future. However, there has been no linkage, to my knowledge, between the question of trade and the movement of people.

Mr. Gillies: The government having announced it intends to take a moral stance in connection with the development of its foreign policy, would the minister not agree that this is one of the most important moral questions in the world today?

Mr. MacEachen: To my knowledge, no such announcement has been made, since it would have been unnecessary.

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INCOME TAX

POSSIBLE ELIMINATION OF TAX PRIVILEGES FOR "TIME"—GOVERNMENT POSITION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Finance. Is the hon. gentleman currently studying the question of tax privileges for *Time* Magazine under Section 19 of the Income Tax Act and can the House expect an announcement in this regard in the relatively near future?

Hon. John N. Turner (Minister of Finance): This is one of the subjects which is being discussed.

Mr. Grafftey: Has it been brought to the attention of the minister that if these privileges for *Time* were ended sufficient advertising dollars would be available to enable a Canadian magazine to go on the market immediately on a weekly basis? Has the hon. gentleman been in touch with the Secretary of State with regard to studying the question of tax privileges for *Time* magazine?

Mr. Turner (Ottawa-Carleton): I have been in touch with the Secretary of State.

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AGRICULTURE

BEEF CATTLE—REQUEST FOR INVESTIGATION INTO ALL ASPECTS OF INDUSTRY—AID FOR COW-CALF OPERATORS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, a question for the Minister of Agriculture. In view of the fact that cattle prices for the producer have fallen to about half what they were one year ago despite continuing high retailer prices causing confusion in the cattle industry and decisions by many producers to liquidate their herds, will the minister undertake to hold an immediate federal inquiry into all facets of the beef industry? If so, when, and what will be the terms of reference?

[Mr. MacEachen.]

Hon. E. F. Whelan (Minister of Agriculture): I am sure the hon. member would not wish to leave the impression that prices are about half what they were a year ago. That is not the case. Prices for top grades in Toronto yesterday were high at 51 cents, which is comparable to what the price was a year ago. I am sure the hon. member means that some grades of cattle are selling for half what they sold for a year ago. We are still considering what kind of inquiry, if any, should be held.

• (1510)

Mr. Nystrom: A supplementary question, Mr. Speaker. When will the government make a decision as to whether or not there will be an inquiry? Also, keeping in mind the Prime Minister's words of a few days ago, would the minister say whether or not he is now in a position to give some aid and assistance, at least in the short term, to cow-calf operators?

Mr. Whelan: As I said before, Mr. Speaker, we are still receiving many suggestions, and perhaps the hon. member has some suggestion as to what form this aid should take. Four provinces have given aid; two of these provinces have given similar aid and the other two dissimilar aid. Some cow-calf operators now tell us that this will not aid them at all, so we are trying to develop a program that will aid the cow-calf operators.

Mr. Nystrom: When?

Mr. Whelan: Soon.

* * *

[*French*]

FINANCE

POSSIBILITY OF BANKS REDUCING INTEREST RATES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct a question to the hon. Minister of Finance.

In view of the fact that as an important step to slow down or check inflation in the United States the American government has deemed it necessary to ask American banks to bring down their interest rates for medium and long term loans, can the hon. minister tell us if his department or the Canadian government are thinking of doing the same thing and when will such an announcement be made?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if we look at last year's experience, Canada's monetary policy was not as tight as that of the United States.

Mr. Beaudoin: Mr. Speaker, I would like to ask a supplementary question.

Can the minister tell us if he or his department feel that the terrible rise of interest rates on long term loans is an important factor in creating inflation today?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, maybe it is in fact a result of inflation.

[*English*]

IMMIGRATION

NATURE OF MEASURES TO ENCOURAGE FRANCOPHONE IMMIGRANTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Manpower and Immigration, who indicated that measures would be adopted to encourage Francophone immigrants. Would the minister be more precise as to the nature of this program? Is it simply a statement with nothing behind it, is it a statement of intention to promote through public relations the immigration to Canada of Francophones, or are special inducements to be granted?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the regulations I announced today and those that have existed in the past will apply to immigrants universally, including people from Francophone countries. However, we are heavily engaged in consultation in a co-operative spirit with the government of the province of Quebec in full recognition that it is desirable for Canada to maintain a larger number of Francophone immigrants to this country. We are seeking accelerated and increased emphasis on opening offices abroad in Francophone countries, on recruitment and that sort of thing.

Let me hasten to say that in the name of universality and non-discrimination the measures I announced today will apply equally around the world.

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NATIONAL DEFENCE

BASIS ON WHICH FORCES PARTICIPATE IN SEARCHES FOR LOST PERSONS—FINANCIAL RESPONSIBILITY FOR COST OF SEARCH

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of National Defence to whom I gave notice yesterday. My question arises out of the unfortunate circumstance that two of my constituents have become lost while hunting in wilderness areas of northern Ontario. May I ask the minister whether a request to his department in the case of lost hunters, fishermen or hikers from an authority, be it provincial, municipal or possibly from members of the family, is necessary before his department will participate in search operations; and is the requesting authority responsible for the financial burden incurred by the department in carrying out the operation? Perhaps the minister might also indicate whether his department in such cases ever initiates search operations without a request from some other authority.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, in the case of missing persons we do require a request from the provincial police of the RCMP. This is distinct from our search and rescue operations in which we can initiate a search ourselves or at the request of transport. In the case of missing persons we do not charge the authority that makes the request; we carry that expense in national defence.

EXTERNAL AFFAIRS

ESCAPE OF TANKER FROM COME-BY-CHANCE, NEWFOUNDLAND—POSSIBILITY OF PROTEST TO BRITISH GOVERNMENT

Mr. Walter C. Carter (St. John's West): My question is directed to the Secretary of State for External Affairs. it concerns the escape from custody of a 260,000 ton supertanker several hundred feet long, which escaped out of Come-By-Chance two days ago at three miles an hour, with the RCMP in pursuit.

Some hon. Members: Oh, oh!

Mr. Carter: Would the minister tell the House whether he is making a protest to the British government respecting this incident, since this ship in its action did violate certain Canadian laws?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, no such protest or representation has been made, but I will consider the hon. member's question, particularly the latter part of it which alleges a breach of the Canadian law.

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

Mr. Allmand: On a question of privilege, Mr. Speaker. Yesterday I was asked a question by one hon. member regarding this incident, and on investigation I find that the RCMP were not even advised of this incident until the ship was 30 miles out to sea.

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FINANCE

CAPITAL WINTER WORKS PROGRAM—POSSIBILITY OF EXTENSION OR RENEWAL

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question is for the Minister of Finance. Noting that the last date for applications under the highly successful capital winter works program has now passed, can the Minister of Finance indicate whether this three-year program is to be extended, or whether another similar program is under consideration?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there will be no extension of the dates under the current program. As for the latter part of the question, this is something that the government will want to consider very seriously.

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SCIENCE AND TECHNOLOGY

MICROSYSTEMS INTERNATIONAL—SUGGESTED RECOVERY OF GRANTS IN VIEW OF COLLAPSE OF COMPANY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of State for Science and Technology. Now that Microsystems International Limited has collapsed after being in business for less than

five years due, as one director stated, to too much government money, what steps will the government be taking to recover the $48 million made available to this company in the form of grants and interest free loans in the short period that it was in business?

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, I do not know the answer to that. I shall have to inquire.

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STORMS

ATLANTIC PROVINCES—LIAISON WITH EMERGENCY PLANNING PERSONNEL ON MEASURES TO ASSIST IN NOVA SCOTIA

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question arises from the disastrous storm which struck the maritimes over the week end, with particular reference to Cape Breton where there has been loss of life, numbers of homeless and millions of dollars worth of damage. My question is to the Minister of Finance in view of his parliamentary secretary's interest; apparently he seemed to be the one who had all the information. Has the national emergency planning establishment which was referred to by his parliamentary secretary been keeping the government informed, as was promised, on an hour to hour basis; what liaison exists at the moment between this planning establishment and the government of Nova Scotia, so that assistance can be rendered as expeditiously as possible; and are any members of the establishment in the area on site to hurry things up a bit, in co-operation, of course, with the province?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to thank the hon. gentleman for the compliment that he paid to my parliamentary secretary, which is well deserved. As for the emergency establishment that has been made available in response to this serious situation, the Acting Prime Minister has already described it. I might say that with regard to the financial repercussions—that is to say, the compensation to be paid—any eventual federal participation will depend on the formula we have established across the country. However, I was in touch with, and talking to, Peter Nicholson, the minister of finance for Nova Scotia, this morning.

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HOUSING

REQUEST FOR FUNDS FOR LOW RENTAL HOUSING

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of State for Urban Affairs responsible for housing. It relates to a release of his last night or this morning and to the fact that the response to the limited dividend rental housing program has been incredible. In view of the fact that the housing situation for low income people is also incredible, would he indicate to the House what action he is taking to provide more funds for low rental housing, in view of the suffering of many low income people who cannot find a roof to put over their heads?

● (1520)

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I do not recall using the word "incredible", but I think it is remarkable, particularly in view of the indication by some that this plan was not acceptable, that we are more than using up the allocated budget. Surely this gives us a better indication, and I am sure this will carry into the next building season. I am sure this will also be the case in respect of starts into next year. The $50 million allocation was used up in less than a three month period. This will get started again in the next building season. This all gives us a better indication of how this combined AHOP, and the modification of this program, is giving far more effect to the taxpayers' dollars in respect of the low cost housing which my hon. friend and I wish to see.

Mr. Marshall: In view of the fact that this fund is being used up so quickly, is there any hope of getting additional funds this year to assist in this great effort being made to provide this housing?

Mr. Danson: Mr. Speaker, I think for this current building season there would not be much use for additional funds as starts could not begin on time. There is certainly great hope for the coming season, when I think we will be able to alleviate the shortfall situation, particularly in respect to rental housing starts.

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ENERGY

NEGOTIATIONS WITH UNITED STATES ON SECURITY OF PIPELINES—POSSIBILITY OF CONSTRUCTING PIPELINE THROUGH NORTHERN ONTARIO

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources concerning negotiations with the United States in respect of pipeline security. Are these negotiations being limited to pipelines traversing Canadian territory, or are the Americans raising the issue of security of supply for pipelines going across U.S. territory of which Canadians have control?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, this does not so much involve security of supply as it does the concept set out by the Prime Minister in this House in December 1973, that this should be a mutually reciprocal treaty covering both United States pipelines crossing Canadian territory and Canadian pipelines crossing U.S. territory, as now exist or may exist in the future.

Mr. Symes: Mr. Speaker, in view of the fact the Canadian bargaining position is seriously weakened because we are dependent on pipelines crossing U.S. territory is the government excluding that as part of the terms of reference for bargaining from an American point of view, or is it seriously considering building that all-Canadian pipeline through northern Ontario?

Mr. Macdonald (Rosedale): Mr. Speaker, it seems to us at this stage that securing the existing routes is the ultimate objective, and this is what we will be seeking.

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IMMIGRATION

HONG KONG OFFICE—REQUEST FOR MORE RAPID PROCESSING OF APPLICATIONS

Mr. Peter Stollery (Spadina): Mr. Speaker, my question is related to the statement on motions today by the Minister of Manpower and Immigration. In view of the fact that department officials in Hong Kong are sending out letters to nominated relatives to the effect that it will be 12 months before an appointment can be arranged even to see them in our offices, is some consideration being given to expanding our facilities and hiring more immigration officers?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the Hong Kong office with eight immigration personnel is our second largest next to the London office. In response to a question earlier I indicated that we were trying to establish a special arrangement so that personnel can be transferred from one place to another when necessary. However, there are over-all restraints on the number of people we can have on staff, or on the number of people that we can add to the staff.

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NATIONAL DEFENCE

CRASH OF HELICOPTER—PREFLIGHT INSPECTIONS AND SAFETY PRECAUTIONS—REQUEST FOR PUBLIC INQUIRY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, in the aftermath of this tragic crash of a newly acquired helicopter in which five of our servicemen were killed, and I know this deeply concerns the minister and all hon. members, I should like to ask the Minister of National Defence what preflight safety precautions and inspections were carried out regarding this newly acquired aircraft to insure that our men had adequate time to familiarize themselves with this aircraft? Would he also, hopefully, assure us that whatever inquiries he is contemplating will be open so as not to result in the department investigating itself, as was the case in respect of the DOT investigation at Frobisher Bay?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, of course I share hon. members' regret regarding this tragic accident. There is a full investigation taking place, not only of the circumstances surrounding the crash, but also other matters to which the hon. member has referred, including the extent of training and familiarization of our crew. As soon as that report is received I will be in a position to comment more fully upon it.

ENERGY

REQUEST FOR TABLING OF FEASIBILITY STUDY OF CONSTRUCTION OF ARCTIC RAILWAY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I see that the Minister of Energy, Mines and Resources is not in his seat.

An hon. Member: Here he comes.

Mr. Paproski: In view of the statement by the Minister of Transport on October 10 that a feasibility study of an Arctic railway carried out by the CN and CP is still under review, and noting that this study has been in the Minister's departments for six months, will the minister table this report immediately as this information could be of direct importance to current National Energy Board hearings and pipeline right-of-way hearings?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would be glad to discuss the matter with my colleague.

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IMMIGRATION

POSSIBLE INCREASE IN NUMBER OF CHILEAN REFUGEES ADMITTED—GOVERNMENT POSITION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question pertains to the refugee section of the announcement today by the Minister of Manpower and Immigration. In view of the fact that a delegation representing boards of education, labour and the churches came to Parliament Hill about two weeks ago presenting the minister with a brief asking for the admission of 10,000 Chileans in the refugee category over the next year, will the minister now state whether there will be an increase in Chilean refugee admission to this country?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as I indicated, I think about a week or two ago, in response to that delegation, I had no opportunity to study their brief in advance of meeting with them, and would like a reasonable time to examine the brief. As the hon. member will know, I just returned from abroad the other day and I have not had time to make a full investigation. When I have I will make whatever announcement is necessary.

EFFECT OF CHANGE IN REGULATIONS ON ADMISSION OF PERSONS FROM COMMUNIST CHINA

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my supplementary question is for the same minister. I am just wondering what effect his statement today will have on the 9,000 Chinese from communist China the Prime Minister has announced will be coming to Canada, as well as the fact that the Minister of Supply and Services is bringing 20,000 South Koreans to work in the Athabasca tar sands?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the very highly applauded

action of the Prime Minister in arranging with the Chinese government for the reunification of families pertains strictly to sponsored relatives and, therefore, obviously nothing I have said, or any change to be made in the regulations, will affect that.

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GRAIN

EQUALIZATION OF FREIGHT RATES ON GRAIN AND MEAT—DATE OF IMPLEMENTATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, sometime ago the minister in charge of the Wheat Board assured the Minister of Agriculture for the province of Alberta that a freight rate equalization program would be instituted during 1974 which would have the effect of reducing freight rates on dressed meat shipped from western Canada to central Canada. Will the minister now indicate to the House when such a freight rate program will be instituted?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there was no indication of any specific date during the discussions we had in regard to the equalization of freight rates.

Mr. Mazankowski: You said 1974.

Mr. Stanfield: That's for the pigs.

Mr. Lang: We did, as part of the over-all feed grain policy program, indicate our view that it would be appropriate to bring rates on grain and meat into equitable accordance. Our discussions on feed grains tended to be more hectic in other areas of the program than that particular one. As a result we felt that further discussion should take place on the way in which that equity should be brought about. Those discussions are now going on. It is still the intent of this government to move, in due course, toward bringing these freight rates into line.

Mr. Mazankowski: Mr. Speaker, having regard to the fact that the minister committed the government to the institution of this program during the year 1974, will he advise the House if this equalization program will be put into effect before the end of this year?

Mr. Lang: Mr. Speaker, I would appreciate it, since I have told hon. members straightforwardly the situation, if he would take my word for the fact that no commitment was made in respect of this program for the year 1974.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I call orders of the day.

● (1530)

The hon. member for Manicouagan rises on a point of order.

[*Translation*]

Mr. Gustave Blouin (Parliamentary Secretary to the Secretary of State): Mr. Speaker, in the absence of the Secretary of State, I was trying to catch your attention a few minutes ago during the oral question period. I would like to answer a question raised yesterday in the House by the hon. member for Fundy-Royal (Mr. Fairweather). Does the House give its consent?

Mr. Speaker: There is no question of getting the consent of the House whenever something like that arises; I would rather give the hon. member who raised the question the opportunity to ask some supplementaries. For the moment, he may be—

Mr. Blouin: Mr. Speaker, since I just have been provided with the answer, I would like to answer the hon. member if the House gives its consent.

[*English*]

If the House is content, we could pursue this matter now.

Mr. Fairweather: Mr. Speaker, I tried to save time by not rising to ask the question, because the parliamentary secretary was kind enough to say he could answer it.

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STATUS OF WOMEN

INTERNATIONAL WOMEN'S YEAR—REASON FOR CHANGE IN PROGRAM DIRECTOR

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): Mr. Speaker, the telegram referred to yesterday by the hon. member for Fundy-Royal deplored recent measures which might deprive the women's program of the Secretary of State of its present leadership on the event of the international women's year. In fact, the women's program has just been greatly expanded. The man-years increased three times and the funds increased six times.

Mr. Stanfield: Man-years?

Mr. Blouin: Yes, although this is the year of the women. This expansion required the creation of a new position at a more senior level for the head of the program. Consequently, a competition had to be held by the Public Service Commission. This competition has just been completed and the regular appeal period is now in effect.

When the appeal procedures are completed, a full-time appointment will be made to take effect immediately. The department intends to retain the competence, knowledge and experience of the officers who have been mainly responsible for the development of the program. It is determined to ensure the successful implementation of its part in the international women's year program and of its ongoing commitments to the women of Canada.

GOVERNMENT ORDERS

[*English*]

PUBLIC SERVICE

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE TO CONSIDER RECOMMENDATIONS IN FINKELMAN REPORT

Hon. Mitchell Sharp (President of the Privy Council) moved:

That a special joint committee of the Senate and House of Commons be appointed to consider and make recommendations upon parts I, II and III of the paper entitled "Employer-Employee Relations in the Public Service of Canada", prepared by the chairman of the Public Service Staff Relations Board;

That 14 members of the House of Commons to be designated by the House at a later date be the members on the part of this House of the special joint committee;

That the said committee have power to send for persons, papers and records and examine witnesses; to sit during periods when the House stands adjourned; to report from time to time and to print such papers and evidence from day to day as may be deemed advisable; and to delegate to subcommittees all or any of their powers except the power to report directly to the House;

And that a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, some of its members to act on the proposed special joint committee.

He said: On April 17 last year my predecessor, the present Secretary of State for External Affairs (Mr. MacEachen), made a statement to the House in which he indicated that the government had asked Jacob Finkelman, Q.C., chairman of the Public Service Staff Relations Board, to examine the Public Service Staff Relations Act and make such suggestions for amendments or revisions as might be necessary "to adequately meet the needs of the employer and the employees in the public service and the employee organizations that represent them, and to serve the public interest".

Mr. Finkelman completed his review of the act in March of this year and part I of his report was tabled in the House at that time. Parts II and III were tabled in April and May. It was the intention of the government to constitute a special parliamentary committee before the summer recess, but the election made it impossible to give effect to this intention until now.

The committee will have authority to deal with the recommendations of the Finkelman report as they may affect the Public Service Staff Relations Act, the Financial Administration Act and the Public Service Employment Act. It may, of course, consider other recommendations affecting the Public Service Employment Act, whether or not such recommendations were directly related to Mr. Finkelman's recommendations.

With respect to the Public Service Superannuation Act, modifications in this act to deal with various problems are now under study by the government and in due time a bill will be presented to the House. If the joint committee is still sitting when this bill is ready, it may be desirable to extend the committee's mandate to study that bill and report on it before it is finally considered by the House. It is the government's intention to introduce bills to amend the other statutes, in this session, as soon as possible after the committee has presented its report.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I wish first to say to the minister that the matter he has just raised in the House concerning this joint committee is most welcome. I was also pleased to hear his statement concerning the Public Service Superannuation Act and the fact that the committee may also have an opportunity to study that legislation. I think such a study, and indeed a study of the whole position of the public service vis-à-vis bargaining, is long overdue. I fully realize that an election intervened, but the minister may recall that from time to time during the twenty-ninth parliament I raised the question of when these matters would be brought forward for consideration.

At the outset I wish to pay tribute to the chairman, Mr. Finkelman, who in his own right is a very distinguished public servant. I would not want any remarks I make with regard to this matter in any way to indicate that I have anything other than the highest regard for his services to Canada and to the public generally. He was given a large mandate by the government of Canada, namely, to examine the Public Service Staff Relations Act and its administration and to make recommendations on how it could be amended or revised in order adequately to meet the needs of employers and employees in the public service and the employee organizations. Then last, but certainly not least in importance, Mr. Finkelman's recommendations were to deal with how the public service could best serve the interests of the public at large.

Many public servants have felt for some time that the system is not operating as it should and that it can, and should, operate much better. Many public servants have spoken to me and other members of parliament about the greatest difficulty which seems to confront them, that is, the fact that either directly or indirectly many of them suffer from the impersonality of the operation. I suppose that is a disease that results from bigness. There is lack of positive connection between the work that people do and the result of that work, in action or policy, and if anything that is an irritant to the disease.

Public servants say in their own way that the impersonal, bureaucratic operation denies them the ultimate human satisfaction from work—the feeling of participation, of fulfilment, and in some cases of a sense of importance and the completeness of their task. I realize that these are matters which cannot be legislated but they can be affected by conditions of work and particularly by the relationship between employers and employees. If this is the case, I believe it will be the task of the committee to look at the public service, not just from the point of view of the government and of the public—though they are important—also from the point of view of the public servant himself, or herself. If this important aspect is not forgotten, then I believe the public interest will in fact be served by the committee's investigation and the matters which will flow from it.

I respectfully suggest it is also important that we do not approach this study with any preconceived notions based on any outdated concept rooted in antiquity but, rather, with an openness of mind, bearing in mind that the whole question of employer-employee relations is a dynamic thing that is changing more rapidly, day by day, than ever before.

● (1540)

There are needs to be fulfilled on each side of the bargaining table, and there is a public interest that may not necessarily be embodied completely in the interests of either side. The importance of the maintenance of a public service with a sense of dedication and purpose is increasing, particularly in view of the continued and growing incidence of intervention of government into the lives of people. The federal public service is in many ways a model for the public services of other jurisdictions inside and outside this country, as are its individual members, and the contribution of the public service itself in many fields of endeavour is important to this country and all its people. There are many in the public service who have resolved to serve for less remuneration than they could have obtained elsewhere, because they believe that their work is important.

It is not possible, nor is it proper, for me at this point to review each of the 231 recommendations of the Finkelman report. I am sure, Mr. Speaker, that it relieves you considerably to hear me say that. But I think it is essential that the general approach of the parties to be represented on the committee should be laid out before the House before consideration of the report by the committee. I regret very much that the government did not see fit to do that in the statement made by the House leader today.

In general terms, with some notable and unfortunate exceptions, progress to date under the existing collective bargaining procedures has been good. Subject to those exceptions, there have been improvements in the number of agreements being reached and in the period of time that elapses between the beginning of negotiations and the reaching of the agreement. At first there was hesitancy in government generally to expand bargaining rights and whatever expansions there were some six years ago were somewhat limited because, I suppose, of novelty, apprehension, or perhaps a bit of both. I think it is fair to say—with all the wisdom of hindsight, I must admit—that the government could have gone much further than it did a few years ago.

We believe that the experience gained to date by both Treasury Board and the staff associations more than justifies the claim that the time has come to take a hard look at the exclusions contained in the present act, the area of job security, standards of classification, check-off, grievance procedures, transfers, retirement, leave, and a host of other areas. These should be reviewed and serious consideration given to lifting the exclusions. I mean no disrespect to Mr. Finkelman when I suggest that perhaps his approach to these matters is somewhat conservative, with a small "c". Normally I do not mean a small "c" when I use that word. Perhaps it is the way in which a person in his position should approach the matter, but conservative it is and it is the duty of the committee to listen to both sides, and also to Mr. Finkelman, to plumb their points of view and to make recommendations to this House.

If I may comment on the report itself, it seems to presume that there is some immaturity which we, for our part, do not believe exists. We believe there is an understanding respecting the responsibility of Treasury Board, on one hand, and staff associations on the other, that neither will act by their nature outside the public interest,

[Mr. Baker (Grenville-Carleton).]

that each will try to do what is right, and that the ability to collectively bargain, negotiate and arbitrate should be set over the widest range of subject matter. If that happens, the attitude of confidence and trust of the employees in the system will be fostered and strengthened, and the collective bargaining procedures will be strengthened as well by an open approach. We believe that this strengthening is important to what I might call industrial peace or peace between employers and employees in the public service.

There is another fundamental area to which I should like to turn at this time; that is, the vexing and difficult problem of persons employed in managerial or confidential capacities and the exclusion of many of these people from the bargaining unit. As Mr. Finkelman himself said at page 29 of volume I of the report, the problem is in drawing the line and it is a very difficult problem indeed. We will have to examine the report in detail, as well as the present law, but it seems to me—and I respectfully submit this to the House—that the committee should approach the question from the point of view that the benefits and burdens of participation in the collective bargaining process should be available to as broad a range of public servants as possible.

Moreover, it should be approached from the point of view that the public servant can, in fact, separate his personal interest from his responsibilities to the employer, rather than from the point of view that he cannot do so. As well, there should be trusted machinery to make the determination when this is necessary. It is from that point of view—what I would call a positive point of view—that I said a careful examination of the definitions proposed on pages 39, 40 and 41 of volume I should be undertaken.

The last point with which I wish to deal is the resolution of public interest disputes and the right to strike. I commend to all members the text on pages 121 to 125 where this right is examined and the difficulty of removing it is set forth in simple and direct terms. It is stated in the report that the best way of resolving an impasse is to prevent it from arising. But this sage saying, coupled with the words of Mr. Finkelman, does not allow a government to wash its hands of responsibility to protect the public interest. The public is the third party at the bargaining table.

A review of 1973 and 1974, even by a most impartial observer, will indicate that the government's attitude toward this public responsibility has been unfortunate, to say the least. It is a period in which there has been a general deterioration in the attitude that should exist between employers and employees. A few days ago we heard in this House the Minister of Labour (Mr. Munro) indicate how belatedly the government had come to the conclusion that machinery must be established to review the question of the public interest and its protection.

In the private sector, we have advocated the establishment of a public interest disputes commission, pursuant to the recommendations of the Woods report, with responsibility for determining and defining the absolutely essential aspects of services coming under federal jurisdiction, the provision of which should not be grossly interfered with due to a breakdown in collective bargaining. The intent is to provide all possible assistance to facilitate the

conclusion of agreements but, if necessary, to assist in alleviating damage that may occur and to report to the minister from time to time and make recommendations as to what steps, if any, should be taken with respect to any particular matter.

I have read Mr. Finkelman's observations regarding the right to strike and the right to lock out, as well as his recommendations as to the timing and the steps that should be taken leading to settlement. It is my hope that by reason of the improvements the committee will make, the vast majority of bargaining will lead to successful settlements and the public interest will be protected in that way. At the same time, it should not be beyond the purview of the committee to review what is an essential service in the public sector or to suggest the establishment of machinery to make that review. It should make recommendations to this House based on its findings, bearing in mind the rights of participants in the collective bargaining process.

● (1550)

I wish to make it clear that my party does not believe that rights which have been granted ought lightly to be taken away. We respectfully point out that if government intervention in the community grows, the withdrawal of essential services will have greater and greater impact. That being so, I think the committee ought to consider what is an essential service. As I said at the outset, we welcome the formation of this committee and look forward to participating in its work.

I began my speech by saying we are concerned about the position of the public servant as an individual and not a mere cog in the bureaucratic machine. The committee, in its considerations, should not forget that important element. While the talk is great and important, if we build up a reservoir of trust so that we can make the public service a good place of work for men and women of Canada, the public interest will be served. I hope the work of the committee will develop that relationship of trust which is so necessary if this work is to be successfully carried out.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we welcome the decision to establish a special parliamentary committee to consider the Finkelman report. Like the hon. member for Grenville-Carleton (Mr. Baker), I shall begin by making my first comment one that relates to the last item, the President of the Privy Council (Mr. Sharp) mentioned in presenting this motion. We welcome warmly the word that consideration is being given to amending the Public Service Superannuation Act. I look forward to the possibility of seeing the subject dealt with by the same special committee. The last time the whole question of collective bargaining in the public service was dealt with by a special committee, that same special committee had before it matters relating to the Public Service Superannuation Act. It is good to be back again at both of these subjects.

There is no gainsaying that public service pension arrangements in Canada are good, and we have won important improvements. But there are serious shortcomings. There are things which definitely need to be improved. If I am not careful, I will be launching out into my full-dress speech on this subject, but that would hardly be appropriate at this time. I simply say that we welcome the fact that this subject as well as the material in the Finkelman report, will in due course be referred to this special committee.

With regard to the Public Service Staff Relations Act, I underline the very fine sentiments which have been expressed by my friend from Grenville-Carleton, who emphasized that it is important for workers of any category, and especially workers who are serving the public, to have a sense of participating in what they are doing. That is what collective bargaining is all about. As my late friend Andy Andras used to say, the purpose of collective bargaining is to turn a hand into a man. This is what the labour movement has been seeking across the years, the recognition that those who toil are not just cogs in a machine, but human beings with rights and aspirations which deserve to be respected.

I was happy to be the member of the committee which considered the Public Service Staff Relations Act in the first place, in other words, the committee which first recommended back to parliament the entire set-up with respect to collective bargaining. I am pleased that we shall have this opportunity to review the whole matter.

As has already been said, despite the shortcomings—especially the interminable delays—the over-all experience with collective bargaining in the public service has been good. No one is suggesting that we drop it. But there are certain improvements which need to be made. I am glad that we have the advice of Mr. Finkelman in his report, which we shall consider in committee. As the previous speaker said, Mr. Finkelman made 231 recommendations, so that if every speaker in this debate were to deal with them seriatim we should never get around to the competition bill which is on the agenda for today.

Let me refer to one or two of Mr. Finkelman's recommendations. I like his general suggestion that the Public Service Staff Relations Act should be made as much like the Canada Labour Code as possible. There are differences between employment in the private sector and employment in the public service. But I think those differences should not be treated in a way which is to the disadvantage of those in the public service. I suggest, as Mr. Finkelman has, that there are practices sanctioned by the Canada Labour Code which might well be imported into the Public Service Staff Relations Act.

With respect to one of the other questions to which the previous speaker referred, that of the exclusion of certain subjects from collective bargaining, I regret that Mr. Finkelman has been a bit conservative—and I am not sure that is spelled with a small "c"—in recommending no significant changes. Although he does recommend a strengthening of the consultation process with regard to these various areas, it is still my view and the view of my colleagues that things such as classification, job security and promotion should be the subject of collective bargaining. When we get the Finkelman report to the committee we will have these issues before us and we can deal with them there.

Likewise, I am a bit disappointed that the Finkelman report does not treat in what I call a democratic fashion the matter of excluded employees. I am now distinguishing employees from subjects. There are already too many

excluded subjects. I suggest that, likewise, there are too many excluded employees, even if Mr. Finkelman comes up with suggestions as to ways in which there might be more active consultation regarding their position. He also proposes that there be a better method of defining and designating those who are not to be covered by collective bargaining. So, without spelling it out, I think I have said enough to emphasize that there are these problems to deal with and that they will be before us once this report is in the hands of the special committee.

● (1600)

There are two or three matters that are not the subject of recommendations in the report but which I think are important. I said earlier that the collective bargaining process in the public service has gone well, except for a few shortcomings, one being the time loss that occurs in many negotiations. Whether that is the fault of the legislation or the fault of the government is, of course, a point about which one can argue. I certainly think it would be a tremendous boon to the health of the collective bargaining process if we could take steps to speed it up as far as the public service is concerned.

Another matter which may not lend itself so much to the legislation as to the whole question of public policy is to be found in the fact that the government seems to be able to make very low offers of wage and salary increases to those involved in the collective bargaining process—perhaps only 2 per cent or even 7 per cent per year. When it comes to senior officials such as deputy ministers, however, in the second or third grade, or even the top ones, there is a tremendous boost. Salaries of $45,000, $55,000, or even more, are not the result of collective bargaining but of a process outside it altogether. It raises the whole question of the fairness and morality of percentage wage and salary adjustments when those at the lower level get such low increases, in terms of actual dollars, compared with those at a higher level.

There is another area where high salaries are paid and it has been suggested today that there might be a discussion on increasing them as well. I am not going to raise that matter now, except to say that I take the same view, namely, that our concern in this place should not be for those of us who are not suffering any distress, but it should be for those in the lower brackets. What I am saying with respect to the public service is that even if it is necessary to have some employees outside the collective bargaining process, the government must do a better job of rationalizing what it does for those on higher salaries compared with what it does for those covered by collective bargaining.

I noted the comments made by the previous speaker about the proposals of his party for a public interest disputes commission. I can go along with him and all the other "after dinner" speakers who say that we should try to find a better way than strikes to solve labour disputes. Every labour leader in the country is prepared to endorse that proposition. There should be a better way. What I object to is the suggestion that labour must give up the right to strike before that better way has been found. I commend those who try to find a better way. I have spent some time and thought on it myself. But none of us has yet found it, and I do not think any derogatory remarks should be made about labour, whether in the private sector or in the public service, using the only weapon available to them to try to improve their position.

I like the comment of my hon. friend from Grenville-Carleton who suggested that what has been given to the public service as a right should not be lightly taken away. I would amend the statement and take out the word "lightly". It has been given to them and it should not be taken away. This involves the whole question of an economy that functions properly. In this parliament we are "at" the government on this question every day. But I suggest if the economy is not functioning properly, we should not take it out on particular groups of people and, in particular, we should not take it out on the public service.

Mr. Baker (Grenville-Carleton): I never suggested that.

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker, my hon. friend did not suggest that. I was away from commenting on his remarks about strikes and was back to the general proposition that the best way to avoid strikes is to have a properly functioning economy in which all our people receive their share of the wealth which they help to produce. I am back at a lifelong theme of mine, namely, that the production of goods and services of all kinds is not an individual exercise and should not result in great profit for one individual and poverty for another. It is a social process and we all ought to share in it.

I noted that when this debate started the hon. member for Ottawa West (Mr. Francis) was not in his own seat, but when he realized what was being debated I saw him move back to his seat rather fast, so I would not be surprised if he were to take part in it. I do not want to steal any of his thunder. Indeed, I cannot, because he has already thundered about it. I want to say, however, that I think there is a great deal of merit in the suggestion he has been making, to the effect that there ought to be a minister in the cabinet who is responsible for the public service and speaks for its members. That responsibility is too scattered at the moment and public servants do not feel they have anybody in the cabinet who is their friend or who is speaking for them. The only way they get friends in the House of Commons is through the constituencies in which they live. I think the hon. member for Ottawa West has a point, and if he rises today to develop it he will have my support.

This is all I need to say at this point, Mr. Speaker. We in the New Democratic Party welcome the decision to have a committee which will try to improve the Public Service Staff Relations Act. The conditions under which employees work is a matter of concern to us at all times. That is true whether they work in the private sector, the Canadian Pacific Railway, the Canadian National Railways, or for the federal government. On the basis of the Finkelman report and the debates that will take place, we hope the committee will be able to make recommendations to improve the whole situation.

If I may conclude where I began, Mr. Speaker, I also look forward to the early reference to this committee of the proposal to review the Public Service Superannuation Act. That, I hope, would in some way produce a parallel reference of the superannuation acts that apply to the Royal Canadian Mounted Police, the Canadian armed

forces and other groups. I look forward to the early reference of this subject and hope that in this session of parliament we will make real improvements both for the public servants now serving the nation and for the public servants who served it in the past and are now retired.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I do not intend to make a lengthy intervention today. I listened with great interest to the speeches of the hon. member for Grenville-Carleton (Mr. Baker) and the hon. member for Winnipeg North Centre (Mr. Knowles). May I express my thanks through you, sir, to the hon. member for Winnipeg North Centre for his kind remarks about my speech of October 10 in the debate on the address in reply to the Speech from the Throne.

Those of us who are concerned about the public service have been looking forward to the creation of this type of committee. There is a real job to be done. When I spoke on the matter in the throne speech debate, I expressed concern because of the difficulties of collective bargaining in the public service. We have a serious problem of price movement and inflation. Without question, awards have not kept up with the movement of prices in the general economy. Many of the contracts arrived at by the staff associations have led to a great deal of discontent.

● (1610)

I expressed concern then about the numbers who had taken the strike option, and I expressed the hope that the government would move promptly to establish the committee which is the subject of the motion before us. I think the speeches of the two hon. members who preceded me in this debate are a good omen—because they sit on the other side of the House—in terms of the measure of agreement which will probably exist in the committee. They did not take a partisan approach; they took a moderate and sympathetic attitude to the general problems of the public service. I share the sentiments expressed by the hon. member for Winnipeg North Centre as to the scope of the committee's work. I hope the committee will be able to consider, not only the Public Service Staff Relations Act and the superannuation act but a number of other matters.

I have been concerned not only about the administration of the public service—and I do not intend to repeat the observations I made on that subject—but about lack of mobility in the service, lack of a policy on transfers, lack of opportunity which would allow employees who have been on the job for a long time to meet a new challenge and get a new start. Those of us who follow public service affairs recall that not long ago positions were filled through a process of widely advertised competitions conducted by duly constituted boards which published the results of their decisions. This was the general practice. Then came technological innovation, Datastream—the great big computer.

Those of us who have listened to complaints from public servants affected must be concerned about the operations of this computer system since there are side effects which are less than desirable. Nowadays there is often no competition in the normal sense. A request is made by a departmental head, authority is delegated, a computer search takes place and half an hour later some cards are pulled out, the top names are interviewed and the placement is made. In many ways the procedure is perhaps more efficient than former methods, but employees who are seeking a new challenge, who realize they have gone as far as they can in the jobs they hold, often do not have an opportunity to appear before a selection board. One cannot help feeling there is a group of people who specialize in the writing of computer cards. If all the key words appear on the computer card in the right places, that card is most likely to be pulled out in the event of a search and opportunities will flow.

I am reminded of the specialists who have developed in applying for LIP grants. Let us face it, there are people who have learned to write a strong submission. That is their specialty. The content of their submission may not be as good as its form, but nevertheless it attracts something better than the average hearing. I feel there is a somewhat similar procedure undertaken with respect to computer operation data streams. There are some who manage to have good cards written, the key words are all in the correct places, and they enjoy much better opportunities than others who must employ more pedestrian methods of coping with a mechanized operation.

I do not know to what extent the committee will be able to discuss such matters as this. However, I am certainly of the opinion that the question of transfers and promotions—matters which in any large corporation are generally handled by a personnel department—should be examined by the committee.

I join other hon. members in saying that the general recommendations made by Mr. Finkelman are small "c" conservative. I hope there will be general agreement among the members of the committee to come forward with at least a degree of unanimity so that legislation can proceed very quickly. However, I trust we shall also take the opportunity to consider a number of broader questions. I was interested in the suggestions put forward by the speakers who preceded me, and I certainly have an open mind on what they said.

Motion agreed to.

* * *

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, POWERS OF INVESTIGATORS, OFFENCES

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved that Bill C-2, to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

[*Translation*]

He said: Mr. Speaker, I am happy to move that Bill C-2 be read the second time. As you know, it is the third time that this bill is brought forward in this House and this is the second debate on second reading. The Standing Committee on Finance, Trade and Economic Affairs had made a lot of progress in the study of this bill when Parliament was dissolved last May for the general election. I therefore

hope that all hon. members will take these facts into account during this debate and will try to speed up consideration of this bill, at least on second reading.

As I have already mentioned, Bill C-2 is the same as Bill C-227 brought forward on November 5, 1973, and Bill C-7, introduced in the House of Commons on February 28, 1974. Since that time, our position on some aspects of the bill has been modified to take into account the reaction of the public to the previous bills.

I plan to suggest amendments to the bill when it is studied in committee. In my opinion, there is nothing mysterious in this, and we do not intend to suggest any mysterious amendment. My predecessor had already told the members of the parliamentary committee about the contents of most of these amendments. They have been circulated amongst the members of this committee and are well known. I will present them again during the study in committee.

● (1620)

Almost all the amendments were the result of extremely useful and constructive briefs or suggestions that were presented to the parliamentary committee by various groups, or came from officials in my department following a more careful study of that bill and of the effects of some aspects of it.

This bill, Mr. Speaker, is the result of five years of intensive discussions with representatives from various sectors of the populations, not to mention the years of studies devoted to it by the Economic Council of Canada, in order to analyze the competition policy Canada needs to face the problems of today and the challenges of tomorrow.

It was in 1966 that the government asked the Economic Council of Canada to study the three spheres of action now under the Department of Consumer and Corporate Affairs and to make recommendations. Those three spheres of action are: first, consumer affairs, second, the competition policy and third, the laws concerning intellectual property.

The Council made a report on each of those spheres of action and the three reports have greatly influenced the government's as well as the Canadian public's outlook. The report made by the Economic Council of Canada on the competition policy was presented to the government during the summer of 1969. The Minister of Consumer and Corporate Affairs of that time, the present member for Vancouver Centre (Mr. Basford), immediately created a committee of experts to guide him in the implementation of the Council's recommendations. He also asked people from all sectors to examine the report and give them their views on it.

In June 1971, when the Minister of Consumer and Corporate Affairs introduced Bill C-256, he insisted upon the fact that the object of the bill was to invite discussion rather than result in an immediate implementation. I will remind you that we are in 1974. I think that the wishes of the minister at that time have indeed been carried out. It is unquestionable that this bill has been the subject of much discussion and that all of its aspects have been carefully examined. I would not want to encroach upon the wishes of the minister when I say that when he thought this bill should be discussed rather than immediately voted on, he surely did not have in mind a date later than this time in 1974.

I think one of the important tasks in the elaboration of this bill for Parliament was accomplished by my predecessor, the present hon. member for Windsor West (Mr. Gray), who recommended to the government the various steps to be followed in setting up a competition policy. In doing so, he received the help of the Special Committee of the House of Commons on Trends in Food Prices. That committee which was set up, as hon. members will recall, in January of 1973 clearly understood the urgent need to reform the competition legislation, but it also realized that some aspects of the competition policy such as corporate mergers could not be amended too quickly and that they should rather be examined in terms of their integration into other government industrial measures. The committee recommended to the government that it legislate instead on certain aspects of the competition policy which did not pose the same difficulties, especially in the area of consumer protection.

So Bill C-227 introduced before this House by my predecessor, the hon. member for Windsor West, in November of 1973 reflected the views of the committee in that it did not touch on certain aspects of the competition policy such as corporate mergers, monopolistic situations and specialization agreements.

In his speech on the second reading of Bill C-7 which was identical to this bill, Mr. Speaker, the then minister made a lengthy description of the contents of that bill. I think this House would be better served if I dispensed with repeating all those technical details. However, I think it would be useful for members interested in this bill to read over that speech which can be found in the *Hansard* of March 13, 1974. It was an excellent speech that I urge everyone to read because it reflects the quality and the competence of the man who made it and to whom I would want to pay a particular tribute for his never-ending dedication and his remarkable relentlessness in working for Canadian consumers and small businessmen.

Today, Mr. Speaker, I would like particularly to bring out the highlights and the reasons for our action, stressing particularly some of the main amendments to the Combines Investigation Act contained in this bill.

First, there is a series of prohibitions concerning specific business practices that are detrimental to the consumer. Those provisions create criminal offenses or being about desirable amendments to existing prohibitions.

In the first place, provisions concerning misleading advertising are revised and made more accurate so that they apply to false statements of every kind made to the public about products or services rather than to advertisements only. Not only the literal meaning of the statements will be taken into account, but also the general impression that they give. Then, false or fraudulent warranties and testimonials are prohibited.

Furthermore, any sale at a price other that the lowest of two or more prices is prohibited in the case of double ticketed products.

Also, pyramid selling is prohibited under certain reservations as well as referral selling according to their definition.

Bait and switch selling is also prohibited.

Selling above advertised price is also prohibited.

Promotional contests are prohibited except when they comply with regulations.

Finally, the price fixing prohibition is reinforced.

A series of amendments will, on application by the director of investigation and research authorize the Restrictive Trade Practices Commission first, to examine cases of refusal to sell and after the supplier has been given every opportunity to be heard, to order him to supply his customers to recommend price changes; second, to examine cases of consignment selling to control the prices of a supplier or establish price differences between competitors and after the supplier has been given every opportunity to be heard, to order him to cease this practice.

Third, to examine cases of exclusivity where some big suppliers demand of their buyers that they sell some particular products only to reduce competition and, after the suppliers has been given reasonable opportunity to be heard, to make the appropriate remedial order.

● (1630)

Fourth, to study cases when tied selling, that is the practice whereby the selling of a product is tied to the selling of another one, is being practised by major suppliers, in order to substantially lessen competition in the market, and after having given suppliers a fair hearing, to make the appropriate remedial order.

Fifth, to study cases when market restrictions, that is the fact that a supplier of a product, as a condition of supplying the product to a customer, requires him to supply the product in a specific market only, is also being practised by major suppliers in order to substantially lessen competition in the market, and once again, after having given suppliers a fair hearing, to make the appropriate remedial order.

Sixth, and last, to study cases when foreign judgments, foreign laws or instructions from foreign directors are detrimental to the Canadian public interest and, after having given them a fair hearing, to make orders prohibiting their application in Canada.

Another aspect of those amendments relates to the prohibitions of the Act dealing with combinations, mergers and monopolies that are now restricted mainly to the production and trade of items and goods. Those prohibitions have a broader scope, and apply now to all services and service industries.

I would also like to deal with the provisions designed to allow and facilitate civil actions for the purpose of recovering losses or damages resulting from an offence to the law, up to the extent of the total sum, plus enquiry and prosecution costs.

Mr. Speaker, I see that my time is running short and I obviously cannot discuss every aspect of the bill. I shall of course have the occasion to do so in greater detail during the clause by clause examination of the bill in committee.

Mr. Speaker, earlier in my remarks, I stressed the fact that Bill C-2 stems from a most thorough and detailed analysis led by the government and the general public. I should like to revert to that remark, because I believe it is essential and I hope that all members of this House will understand that we have already examined this bill long enough. We have tried to answer criticism whenever we could without going against the fundamental principles of a competition policy. This compromise process is not over and I have no hesitation in saying so. I am convinced that this process will be continued during the discussion in committee with the advice that the members from this and the other side of the House will be giving. I am open to any constructive suggestion that may be brought forth.

However, I will say this, Mr. Speaker. Despite all our efforts I am the first one to say, and I am sure that the other members of this House will agree with me, that it is impossible to satisfy everyone, especially in this field. No one is in favour of the implementation of policies which will hinder his freedom. To be efficient, this bill must restrict the liberty of action of powerful concerns more than the present Combines Investigation Act. It is obvious that this causes certain problems. It causes some annoyance. But I think it is essential, for if we were to satisfy all our critics, I think in the end we would adopt legislation that would be even weaker than the present law.

Much criticism coming from businessmen where we could not reach a compromise concerns the proposal of making some trade practices subject to review by the Restrictive Trade Practices Commission. It has even been suggested that the present bill gives unlimited discretionary powers to the Commission to control business.

Indeed, Mr. Speaker, the small number of practices subject to review by the Restrictive Trade Practices Commission are carefully defined in this bill. There is no need to make loud protests and to suggest that this legislation will give unlimited power in this case. There is no need to exaggerate the scope and the powers given to the Commission.

The situation is the same for the required conditions for the Commission to be authorized to issue an order dealing with these restrictive practices. Moreover, it is mentioned in the bill that the concerned parties must be given the opportunity to be heard and that is a very good opportunity for them to put forward their views completely. And I repeat that the federal court's Act provides for appeals on interpretation issues. So any party who may feel that the Commission is given too much power could come before it and appeal against the ruling of the Commission.

Mr. Speaker, may I say that we are prepared to make any other arrangement we deem warranted to meet critics. The purpose of some of the amendments which I referred to in the beginning of my speech is to clarify the discretionary powers granted to the Commission. But there is a basic principle which we can depart from. In part, we must go from a criminal law to a civil law to face some trade practices which are currently widespread. Those are desirable and justified in some cases, I must say. Those are not practices which may be considered as bad at first glance. However, in other circumstances, the same practices could be prejudicial to competition. It is simply impossible to eliminate those sort of practices with a

criminal law. We cannot meet the critics in that field. This would jeopardize the integrity of this bill and somewhat sabotage Phase II of our competition policy which has yet to be introduced. Mr. Speaker, although I may sometimes appear eager for compromise, this time I have no intention to come to an arrangement.

On the other hand, I am sure that most Canadian businessmen realize that it is in their best interest in the long run to support responsible legislation such as Bill C-2, for this will provide a strong competition policy. After all, is it not our purpose to foster a sound and progressive free enterprise system? No one would benefit if we were to allow a minority group to use restrictive and anti-social practices which would throw discredit over the private system as we know it now.

Finally, Mr. Speaker, I will not hide the fact that I consider all Canadian consumers as my own constituents. I feel that consumers and businessmen have an interest in common, that is, a market where prices are set by the interaction of competitive forces and where honesty and fair play prevail. I agree that Bill C-2 contains the fewest possible limitations on private enterprise which are compatible with the need to safeguard consumers interests as well as those of these same businessmen when purchasing goods and services.

I could never bring myself to introduce a bill which could be detrimental to the interests of such important people as our businessmen. If I am firmly convinced that this bill will not prejudice the legitimate interests and expectations of Canadian businessmen, I am not less convinced that this necessary and long awaited bill will prove infinitely important not only to all Canadian consumers, but even more so to the small Canadian businessman.

[*English*]

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, probably no one in this House would quarrel with the principle of Bill C-2. Certainly, my caucus endorses the concept of open competition, with proper safeguards for the consumer and the prevention of abusive business practices. Expressed another way, surely no member of this House would advocate conspiracies to fix prices or would endorse pyramid selling, referral selling, misleading advertising or double-ticketing.

That is not the question here. What is of importance here is: will this bill, in its present form, contribute to better competition in this country? Will this bill, with its amendments to existing legislation, improve that legislation so that improper business activities will no longer exist or will at least lessen in this country? In short, will it be an improvement on present legislation now available to the courts and to the Canadian public? Finally, in considering Bill C-2, in all fairness we must also look at the Trudeau government's record in respect of the consumers in this country, and in particular at that government's record in respect of lessening or containing rising prices.

● (1640)

Unfortunately, the government's handling of consumer protection, and therefore the formation of a new competition policy in Canada, has been most inadequate. Bill C-2, if passed in its present form, may be little more than a hoax on the Canadian public. Rather than lower prices, the effect of its implementation may well be to raise prices in Canada. The government appears to be so unsure of its position that even now we hear the minister state that he intends to amend the bill which is before us when it reaches the committee. Why cannot we have the amendments on the floor of the House at this time? Surely it is an affront to this parliament to suggest that some amendments which were put before a committee a few months ago are those which everybody in this House should assume the minister has in mind when he says the bill will be amended. I would strongly recommend that the minister quit playing games. If he knows exactly what form the new legislation should take, then he should produce the amendments and let the members of this House see the true impact he has in mind for Bill C-2.

Let us quickly trace the record of this government, as the minister has already done, with regard to this type of legislation. In one parliament the government introduced Bill C-256, which received such adverse comment from the business community and many other quarters, consumers included, that it was allowed to die. The government then proposed through a stage one and a stage two approach to attain, presumably, a similar objective. Stage one, which was Bill C-227, appeared in November, 1973, during the first session of the twenty-ninth parliament, and reappeared as Bill C-7 in the last session of the last parliament. Yet today, almost a year after the initially revised bill was introduced, we find Bill C-2 still under amendment by a government which knows not where it is going.

In commenting on the bill, I and my colleagues hope to outline where we feel Bill C-2, if passed, would create economic and legal difficulties. Any law, to be meaningful and to be obeyed, must set out in clear language the nature of the offences it is intended to cover. Bill C-2 fails to do that. The bill would give the Restrictive Trade Practices Commission power to set policy with respect to competition in this country without recourse to parliament. The bill's wording is so vague that the commission could virtually write the laws of the land without even the minister knowing what is happening. The proposed legislation overlaps provincial jurisdiction, does not fit into a comprehensive industrial policy for Canada, and may prevent desirable long-term restructuring of the Canadian economy.

Before elaborating on and raising other points with respect to Bill C-2, let us review how we got into this position. In commenting on this legislation I would remind the House that my party, when in power, laid the cornerstone of Canada's present combines legislation when it passed an act prohibiting conspiracies and combinations in restraint of trade. The legislation defined as unlawful any agreement to limit unduly facilities for transporting, producing, storing or selling any article, or to restrain commerce on it, or to unreasonably enhance its price.

Also forbidden was any agreement to unduly prevent or lessen competition in relation to an article or to the price of insurance upon persons or property. Realizing how impatient the minister gets, and indeed how impatient the governments gets, with any comment from opposition members in this parliament—and today he said he would

like us to speed up second reading of this bill—I would refer the minister to the earlier words of his leader, the Prime Minister (Mr. Trudeau). The Prime Minister, in his book "Approaches to Politics," at page 79 wrote:

> The point is that in a parliamentary democracy the opposition is the last and most important bulwark against arbitrary tyranny; through it the people reserve the right to criticize from moment to moment the way they are governed—through it they nip legislative and administrative abuses in the bud.

Knowing, as he does, that he has a brutal majority in the House to push this or any legislation through, may I suggest to the minister that he pay particular heed to the comments of opposition members, who may not only save him future embarrassment but, more importantly, may save the people of Canada from the consequences of wrongfully conceived and wrongfully administered legislation. So in this context let us first review the record of the Department of Consumer and Corporate Affairs which was created in December, 1967, by the then Registrar General, the present Minister of Finance.

At that time the Registrar General indicated that the net budget for the new department would be $1½ million to $2 million. He spoke glowingly of what the new department could do for the consumers of Canada. I would point out that in the estimates currently before us for the Department of Consumer and Corporate Affairs, we find the budget is over $45 million. The number of employees hired by the department has steadily increased and is now over 2,400.

Between 1967 and today, one might well ask, how has the Department of Consumer and Corporate Affairs, or the government itself, performed on behalf of Canadian consumers? Have they held down prices, for example? The record is that since 1967 the consumer price index in Canada has gone up 45.2 per cent, almost three times the rate of increase in the previous seven years. Food prices have gone up 61.6 per cent since December, 1967, compared with 19.8 between 1961 and 1968. One, clearly, cannot give much credit to the new Department of Consumer and Corporate Affairs with respect to price controls. But what about the other activities of this department?

Based on the estimates, we know that $17.5 million in this calendar year is being spent on consumer affairs. If we look at the last annual report published by the department—I am referring to the 1972-73 report for the fiscal year ending March 31, 1973—we find the department had only 13,868 written inquiries from consumers across the country. When one thinks of it, one realizes this is an amazingly small number of complaints compared to the billions of commercial transactions in the nation every year. Think of the cost! It would appear that it costs the taxpayers of Canada $1,250 for each complaint made to the department in written form. Based on the number of personnel in the bureau dealing with consumer affairs, one employee seems to be handling 1½ complaints per month.

● (1650)

Mr. Ouellet: Mr. Speaker, I rise on a point of order. I am sure the hon. member would not want the figures he quoted to be considered correct if they were not. I would point out to the hon. member that the figures he has given do not take into account the various functions of this division of my department.

The Acting Speaker (Mr. Penner): Order, please. I would remind the minister that he is rising to participate in the debate, and that the point he is making is not really a point of order. If the minister were to continue the debate now, he would in fact end it. We do not really have before us a point of order.

Mr. Stanfield: Shame!

Mr. Stevens: The truth hurts.

Mr. Paproski: You can't stand the heat in the kitchen.

An hon. Member: If the shoe fits, wear it.

Mr. Stevens: The same annual report points out that in addition to written inquiries, the department receives 25,000 phone calls a year. One wonders who keeps track of all these calls. In any event, if you throw in all the telephone calls with the written inquiries, you find it costs $450 for every complaint communicated to the department in a fiscal year. Surely it is little less than window dressing for the Canadian consuming public, and a costly affront to the business world, if this type of ineffective, and perhaps misdirected, bureaucracy continues.

I have referred to a report of March 31, 1973, and frankly I wish I could have referred to a more current report, say one of March 31, 1974. However, the combines investigation branch does not have a report available as of March 31, 1974. Yet I find it very odd, in fact startling, that when I went to the minister's office today I noticed that he had there a June 30, 1974, report from western Australia setting forth how their consumer protection bureau and consumer affairs council fared in their second year of operation. Australia is able to prepare a report containing 63 pages as of June 30, 1974, a report which is delivered 12,000 miles to the minister; yet we in this parliament are not entitled even to see a report as of March 31, 1974, when we are considering a bill as important as this one.

Some hon. Members: Disgraceful.

Mr. Stevens: In the name of the consumer, I believe that many government controls are created, such as are contemplated in Bill C-2, without proper consideration and without proper co-ordination with all sectors of the economy. In my opinion, people feel more and more oppressed by the government, yet the government continues to introduce legislation which places further controls on people and creates a greater bureaucracy to control consumers. The controls may be noble in intent, but in my opinion many of them deal with trivia, many are confusing and many are impossible.

The waste of time and energy is enormous. If you added the cost of the effects of government regulation on all industries and many levels of commerce, it would prove to be a major factor in today's higher prices. It is a cost that the producer and businessman cannot possibly absorb in its entirety, so the consumer is paying for it, as he also has to pay in taxes for the bureaucracy itself.

While it is ever popular for some in the government to be proposing new legislation, new regulations and investi-

gations, rarely, if ever, do you hear it proposed that the government's own operations be similarly questioned or even investigated. Clause 18 of the bill before us deals, for example, with misleading advertising, but you will note that misleading advertising on the part of the government is carefully left out. Nowhere is an opportunity given for even six citizens to ask that a piece of advertising put out by the federal government be investigated as to whether it is misleading. Take, for example, some of the Olympic coins advertising. Is it fair for the government of Canada to state that the Olympic coinage is limited by an act of parliament? Is it fair for them to state it in that context, presumably attempting to influence the man who might buy a $10 coin, without making it clear that the act of parliament simply limited the amount to $450 million? Would such advertising be less misleading if it pointed out that the $450 million almost doubles the total currency in the country?

Let us consider the Department of Finance. They regularly solicit the public to buy their bonds. If a private concern is selling its bonds, the securities commission requires them to show trading patterns. In the case of the government, however, do you ever see them disclose the trading pattern of existing bonds? Let us consider, for example, those famous perpetuals of 1936 which now trade for $34 and which some poor souls bought in 1936 for $96. If, today, a person tries to cash in his $34 bonds, in today's dollars he gets back, in 1936 buying power, $9.43. Would it not be fair for the government to indicate that federal government bonds do sell-off on occasion most dramatically? Consider the past Liberal campaign.

An hon. Member: A successful campaign.

Mr. Stevens: I would be very interested if the minister proposed that all the advertising spewed out on television and the other media with respect to that campaign were assessed to see whether or not it was misleading. I would be interested if the television shot of the poor chickens being burned in the United States were reviewed, and in knowing whether the judge considering the question said he thought it was the type of advertising that was proper and not misleading.

I have dealt with general things, so perhaps I should be a little more specific. I shall refer to the annual consumer and corporate affairs report dated March 31, 1973. I think it contains misrepresentations, and I wonder if the minister has taken steps to cut off somebody's head. For example, if you look at page 11 of that report, you find they set out in a table the number of inquiries made to the bureau of consumer affairs. Lo and behold, one sees the total is 113,868. The fact is that they are exactly 100,000 inquiries out, if you add up their own figures as produced in the report.

[Mr. Stevens.]

● (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Edmonton-Strathcona (Mr. Roche)—External affairs—World food conference in Rome—Canadian position on a secure world food system; the hon. member for York Centre (Mr. Kaplan)—External affairs—Position of Canada on participation of Palestinian Liberation Organization in United Nations debate on Middle East; the hon. member for Winnipeg North (Mr. Orlikow)—Housing—Suggested increase in funds for Assisted Home Ownership Program—Average effective rate of interest on mortgages—Possible shift in policy.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

BANK OF CANADA ACT

MEASURE RESPECTING LOANS MADE TO FEDERAL GOVERNMENT

Mr. Réal Caouette (Témiscamingue) moved that Bill C-201, to amend the Bank of Canada Act be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, in my opinion, Bill C-201 is probably the most important bill that has been introduced in the House of Commons for a great many years. When financial matters are involved, it is obvious that everyone agrees that the role of finance is of prime importance for the economic, political and social development throughout this country, and in all spheres of economic activity.

I notice in the Chamber this afternoon two ministers who usually criticize the Social Credit, without considering it, of course. The purpose of this bill is to invite the minister to study it and then the government to implement it. Mr. Speaker, this bill states in section 1, and I quote:

"(i) make loans or advances for periods not exceeding sixty years to the Government of Canada or the government of any province based on the real ccredit of Canada or the province at a rate of interest which does not exceed the cost of administration;"

—to replace the existing section in the Bank of Canada Act . . . which states at Paragraph 18 (l) (*i*) the following:

(*i*) make loans or advances for periods not exceeding six months to the Government of Canada or the government of any province on the

pledge or hypothecation of readily marketable securities issued or guaranteed by Canada or any province;"

Paragraph 18 (1) (*j*) at present reads as follows, and I quote:

"(*j*) make loans to the Government of Canada or the government of any province, but such loans outstanding at any one time shall not, in the case of the Government of Canada, exceed one-third of the estimated revenue of such government for its fiscal year, and shall not in the case of any provincial government exceed one-fourth of such government's estimated revenue for its fiscal year; and such loans shall be repaid before the end of the first quarter after the end of the fiscal year of such government;"

Mr. Speaker, under the present Act, a province or Canada could borrow up to one third of its total budget. If the total Canadian budget is $21 billion, the government could borrow directly from the bank of Canada $7 billion, but for no more than six months. Such is the inconsistency of the Bank of Canada Act. Why can the Bank of Canada grant loans for 50 or 60 years to any country in the world and cannot grant it to the government of Canada which legislate over this same Bank of Canada?

Take the province of Quebec, for example. With a budget of $10 billion, it could borrow $2.5 billion a year from the Bank, under the Act, but for no more than six months whereas loans of 50 to 60 years are granted to countries twice smaller than Quebec and with a population two times smaller.

Mr. Speaker, Creditists are often laughed at because they speak about the Bank of Canada. But this is an institution established by the Canadian government, a bank regulated by laws of this Parliament. Every decision of this Parliament concerning the Bank of Canada has to be adhered to. But this government says: As to the Bank of Canada and its monetary policy, we do not have our say because we do not want to. We are free to tell the Bank what it should do to maintain an economically sound Canada, a profitable Canada, and to serve the Canadian people.

Mr. Speaker, we are presently witnessing the quarrels between provincial and federal governments. What are they quarrelling about? The use of the French language? No. The development of mining resources in Northwestern Canada? No. Western oil? There is some, of course, but they always come to an understanding in the end.

● (1710)

But all Canadian provinces without exception, even the richest ones, are blaming the federal government for not assuming its responsibilities.

Last Thursday evening I was a participant on a Pierre Berton Show originating from Toronto, program scheduled for viewing this week. I was with Mr. Harrandence, a lawyer and former Saskatchewan conservative leader turned separatist in Calgary. He used the same expressions as our own Quebec separatists. His comments did not surprise me. We can hear the same in Quebec.

The Quebec pequistes keep on saying that Ottawa is taking everything away from us to give it to Western Canada. On the other hand, this Canadian from the West was saying exactly the same thing: Ottawa is taking everything away from us to give it to Eastern Canada, to support the province of Quebec. These people do not realize that there are in Quebec for instance huge quantities of natural resources, as compared with Alberta. There is oil in Alberta. But there is electricity in Quebec, and we send some to Ontario from which we do not buy anything. We have some more to sell and we sell some to the United States, and in view of the James Bay development, Quebec will be selling some to the United States because I feel that, clearly, by the time the James Bay project is completed and at the rate things are going, it will definitely belong to the United States.

Again recently, Mr. Bourassa made a trip to New York City to negociate a $150 million loan at a 10 per cent interest rate for a period of 25 years. Why did he go there? Because the Bank of Canada cannot lend money for more than a 6-month period. That is why we have to go to the United States. Mr. Bourassa might not be there 25 years from now, but the man who will replace him will have paid $265 million in interests only, on a loan of $150 million.

Mr. Speaker, this does not make sense. On what do the Americans base their credit to finance the James Bay Project? On the James Bay project. These are the resources which guarantee the loan. They are not American resources. Mr. Bourassa is not coming back from the United States with wheelbarrows filled with banknotes. He is coming back with a promissory note made to the order of the Americans and endorsed by the Quebec people. We shall have to reimburse $415 million to repay the $150 borrowed. If the federal government would allow Mr. Bourassa to borrow money from the Bank of Canada for 50 or 60 years, in the same manner as that bank is allowed to make loans to India or South American countries, based on the same resources as those considered by American lenders, that is the James Bay's resources, those conflicts would settle down and jealousy between the provinces would no longer exist because they would have the right to become self-determined, to decide for themselves. If only the Bank of Canada was put into the provinces' service. But no, the Bank of Canada follows the Americans even in respect of interest rates.

This afternoon, the Minister of Finance (Mr. Turner) was answering my colleague from Richmond (Mr. Beaudoin) who had asked whether interest rates were not one of the causes of inflation. The Minister of Finance answered: "No, they are rather a consequence". Such an answer from a minister is startling. The first cause of inflation is the interest. When will the James Bay project become worth the $50 or $60 billion spent to complete the installations? When will the $150 million recently borrowed by Mr. Bourassa be worth $415 million? That is the cause of inflation. But the government says it is a consequence.

Municipalities also have troubles with their borrowings. They must even pay 13 or 14 per cent interest rates nowadays. Money does not multiply. I don't know if someone can understand that. Aristotle and Thomas Aquinas stated that too. That is true. If I loan an amount of money to someone and if I am paid a small interest, that is normal because I use something I own.

But banks have an ink-well as well as a pen and they do some figuring. This is exactly what has been done in the United States when Mr. Bourassa was granted a loan of

$150 million last week, namely 16 for 1, at a 10 per cent rate of interest.

Mr. Speaker, no democratic country in the world can survive such a system and it is not taken seriously. If my Creditist friends talk about social credit, about monetary reform, they say: Oh, they are going to talk about the Bank of Canada. But is the Bank of Canada our Canadian institution? And when the Bank of Canada decides to raise the interest rates, who is giving it such an order? Parliament? The Bank of Canada must take its orders from the government, and if the interest rate is so high it is because of the government who allows the Bank of Canada to "flounder". This is its responsibility and the Minister of Finance (Mr. Turner) knows it.

While I am talking about that, he is at his seat. He winks at me in order to tell me that I am right. He does not rise to say: I shall put that advice into practice. If the government fears to do such a thing—though we are only 11—let us be given the chance and we will do it quickly. We shall not take orders from the Americans to decide which interest rate will be charged to the Canadians. Are we not able to have a domestic financial system so that our natural wealth be put at the service of Canadians? Who is preventing this?

The international market is operating well. So let us go on in that way. But in Canada who prevents the Bank of Canada from acting in the best interests of the Canadian people? Who is benefitting from the present credit given to the government? The people? No. It benefits the private banks, at the people's expense. Here is how it is done: It is often claimed that the public debt does not mean a thing; that is what I have been hearing for at least 35 years and there is nothing bad in that, since we owe them to us. We are indebted to ourselves!

It is known that many citizens own Canada savings bonds. Mr. Speaker, is it known that nearly all Canada savings bonds are used mostly as collateral for bank loans? So, who holds the levers, who has the power to create money in Canada? The private banks where the government goes regularly begging on bended knee every 89 or 91 days to borrow money for the same period of time. A psychosis then builds up amongst the people. Then, at some point, things come to a stop for lack of liquidity. What is liquidity? Is that ever explained? Never! People are told: The banks have no more money. They can no longer loan money. There is no money! Then, all of a sudden, there is all kinds of it.

But who decides that? The Americans? The Americans must be called up to find out what their rates of interest are. We are a bunch of sheep, and we have a Parliament of sheep, who follows the Americans. If they take one small step forward, so do we. Then we are told about our Canadian sovereignty! Masters at home! Masters at home when the United States own us about 100 times over!

Mr. Speaker, awhile ago I said that Canadians bought Canada savings bonds. I bought some too. We own ourselves. The pay is poor, but still we own ourselves. The Canadian citizens bought them with their savings, with their hard-earned money, and those same savings are used to create debts, are used mostly as collateral for the banks. The banks can cash the bonds as they see fit, as often as they wish.

[Mr. Caouette (Témiscamingue).]

A large part of the public debt is payable to the chartered banks. We know that a $1,000 Canada savings bond, for instance, constitutes a reserve for the private banking system, which enables them to multiply by 16 the $1,000 of savings bonds I have. The bank has the right to loan $16,000 on the strength of these savings bonds. I think it is fairly clear. Nobody can dispute this, since it can act this way because of the law.

● (1720)

The major part of the debt is directly payable to chartered banks in the following way: The government floats an issue worth $1 billion or $1 million. The Bank of Canada buys it immediately and deposits this in the account of the government. This immediately creates a reserve for the private banking system which has the right to multiply this by 16, or give $16 million in credit for $1 million in bonds. Then, the government borrows $5 or $6 million in new credits made by the private bank and created by the private banking system. Afterwards, the Bank of Canada will have the responsibility for only $1 million as a guarantee for the new credits of chartered banks.

We admit this. It is stated that the Bank of Canada is the servant of the Canadian banking system. What ever the Bankers Association says, the Bank of Canada jumps to it in short order. I do not recall exactly the name of the Governor of the Bank of Canada who is on all fours before the banking system. Never tell me that the Bank of Canada decides which way the financial or monetary policy of Canada will go because that is wrong. Chartered banks control Canadian finance because they are directly or indirectly, the original source of nearly all the money in our country.

While the ordinary citizen gets his money through his work, the banks create their money by methods that cost almost nothing—the pen and the inkwell and the clerk who uses them. The Bank of Canada says, you must draw numbers, so the government draws numbers. It is only the clerk's salary that has to be paid. Banks produce money with methods that cost almost nothing. They can take advantage of that extraordinary privilege to acquire public funds and become master financiers, and governments at all levels thus offend against justice and reason. Actually, it is highway robbery. We do not want to indenture ourselves and our descendants to the chartered banks. Our governments have their own credit and this credit is much more real than the one offered by chartered banks.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. member, but his time has elapsed. I recognize the Parliamentary Secretary to the Minister of Finance (Mr. Cullen).

Some hon. Members: Let him go on!

The Acting Speaker (Mrs. Morin): Unanimous consent from the House would be needed for the hon. member to go on.

Some hon. Members: Agreed.

Mr. Caouette (Témiscamingue): Thank you, Madam Speaker. I shall not abuse my colleagues' generosity. I

would like, however, to take the time to explain the contents of Bill 201. We shall then hear the opponents of this bill, aimed at making money available for the benefit of man, woman and child, and see what treatment it gets from the government and opposition members. As I mentioned before, we do not wish to be enslaved any more by banks. The question now is who should have control. This Parliament has not been elected to serve banks. We have been elected, each one of us, to serve our constituents, the people of Canada and the country as a whole. To serve this country of ours, to serve it well, we have to relieve it from the paws of rapacious finance people. Such being the aim, let us take the necessary steps. There is no room here for partisanship. Everything centers upon creating a sound economic system, based on something real, that will open the door not to internal strife among Canadians, not to endless strikes, not to killings, but to training Canadians capable of working together for the benefit and well-being of themselves and Canada itself.

Furthermore, as I said earlier, the government of Canada already has in the Bank of Canada an institution that can adequately finance our economic development, without usury or other undesirable conditions.

Mr. Speaker, I am talking about changes advocated by close to 600,000 Social Crediters in the province of Quebec and others, of which 450,000 live in Quebec alone. Those people have been making those proposals for a long time. We are told: You keep repeating the same things over and over again. On the other hand, our critics never change their tune either. They say: "No money!" We reply: Make money! If there is none, create it and use the Bank of Canada!

If the bank is not put to use, the Social Crediters are not responsible; the government is.

The changes put forward in this bill will eliminate the continuous disputes among the various levels of government in Canada as to who should pay the bill of government programs. The fact that money is the perennial concern of governments indicates indeed through their frequent statements, that they are unable to answer all the needs of the people because of lack of money.

Let us have a look at those famous federal-provincial conferences that are held under different excuses and where the delegates always end up quarrelling about money the way hungry dogs fight for an old bone. By eliminating the artificial scarcity of funds available to governments, we would put an end to those shameful scenes.

Moreover, the activities of local governments will depend less on favors granted by more centralizing governments. In other words, the governments will respond more effectively to the aspirations of the citizens in their own territory, our ridings, our provinces and our country.

Mr. Speaker, to implement Bill C-201 means that Canada whose budget will eventually reach $30 billion, could borrow one third each year from the Bank of Canada that is $10 billion at an interest rate not exceeding the administration costs. The pencil pusher's pay would be the federal government's share. The province of Quebec, with a $10 billion budget, could borrow 2.5 billion each year from the Bank of Canada. This amount would certainly help the province of Quebec or British Columbia; 25 per cent of the provincial budget would certainly help all the provinces and the Bank of Canada would play its role, serving the interests of Canada and not those of the financiers.

The Bank of Canada could be used to fight inflation efficiently because inflation is built in the monetary system itself. We are suffering its consequences. It is not the interests that are suffering its consequences, it is not the Bank of Canada, it is us! So, if we are suffering its consequences and if we have a responsible government—if it is an irresponsible government that is another matter—but if the government is responsible, it must do something, it must introduce measures aimed at making the Bank of Canada serve Canada, the provinces, the municipalities and the Canadian people.

[*English*]

Mr. Paul E. McRae (Fort William): Madam Speaker, I always enjoy the speeches made by the hon. member for Témiscamingue (Mr. Caouette), and the speech he made today was no exception. Bill C-201 is without doubt an interesting bill. All its implications certainly could not be dealt with effectively in the space of one hour. The issue he raises, including the control of the banks, the relation between the chartered banks and the Bank of Canada, the extent of United States influence in our economy, and so on, are of great importance and must be the subject of public concern.

The bill itself is very short. Nevertheless, some portions of it immediately attract attention. I note that the Bank of Canada would be permitted to make loans for a period not exceeding 60 years. This is in contrast to section 18 which provides for a period of not longer than six months. Of course, section 18(1)(j) deals with the range within which loans can be made over periods not to exceed three months beyond the fiscal year. The hon. member's idea is an interesting one, but I am not sure it is realistic, at least at this stage.

When we talk about the Bank of Canada we must consider the relative size of the operations of that Bank as opposed to those of the chartered banks and other financial institutions. One set of figures setting out the relative size of the financial intermediaries shows that the Bank of Canada is about 4.6 per cent of all the financial institutions in Canada, whereas the chartered banks make up about 28.9 per cent. Trust and mortgage loan companies and credit unions account for 12.2 per cent, finance companies 4.9 per cent, investment companies 4.3 per cent, life insurance companies 13.6 per cent—an item to be concerned about—private trusteed pension funds 8.9 per cent, for a total of 77 per cent, with other groups at 22 per cent.

● (1730)

These are similar to United States figures. The Federal Reserve Bank occupies the position of holding 5.1 per cent of the intermediary assets. Their chartered banks have about 31 per cent, as opposed to 28.9 per cent in the Canadian system. The Bank of Canada and also the Federal Reserve Bank do not loom substantially in the whole banking scene in this country or in the United States; they rank fifth or sixth among the groups involved in the banking business.

I think we have to look at our banking system to see how efficient it is and how it responds to the needs of governments and private citizens in this country. I, for one, am not a great apologist for the banking system because I think it has many inadequacies, but I am an apologist for the fact that we have to live for today and deal with things as they are.

An hon. Member: Don't change that.

Mr. McRae: I am the first person to believe in change. There are many things that I would like to see changed and I could suggest one or two, although I may not have too many solutions.

On the credit side—and I use the word credit not in terms of financial credit—I think we can say that there are certain aspects of the banking system that are good. I think operationally banks are efficient. The cost of operating banks is relatively small in terms of the total business done, and this is one of the plusses of the banking system.

There is a fairly good allocation of efficiency. In other words, our banks provide a fairly decent national capital market. The branch system is well spread throughout the country. It is possible to deposit money and to have almost instant payment of those dollars in any other part of the country. Perhaps this is an advantage we have over the American system, where you have a lot of smaller banks and it is not that easy to exchange money. I think those are two positive aspects.

There is something to be said for concern about regional efficiency in our banking system. In other words, does money invested by investors or deposited in the banks in Canada tend to stay in a region or move to other regions of the country? As someone who lives at the doorstep to the west and who is affected a great deal by western Canada, I can share very much the concern of western Canadians about what happens to their deposits. Do they stay in the west, being circulated in the west, or do they tend to gravitate to that great centre of the world known as Toronto? This is the kind of question we must ask ourselves.

Having done a little research on this subject I was rather surprised at the fact that in western Canada—I have not done the same kind of research into the situation in eastern Canada—there seems to be a reasonable circulation of deposits made in that part of the country. For instance, in the province of Manitoba, which has about 4.5 per cent of the population of this country, according to statistics as at December 31, 1972, 4.8 per cent of the loans made by chartered banks were made in that province. In British Columbia we have 14.1 per cent of the population, and 13.4 per cent of loans were made in that province. About 26.5 per cent of the total population of Canada lives in the west, and 30.2 per cent of money loaned in Canada is loaned in that area. At the same time 29 per cent of the branches of Canadian banks are located in western Canada, even though the population is, as I said, about 26 per cent of all Canada.

[*Translation*]

Mr. Rondeau: I rise on a point of order, Madam Speaker. May I address a question to the hon. member?

Mr. McRae: Yes, Madam Speaker.

[Mr. McRae.]

Mr. Rondeau: As he is quoting many statistics, can the hon. member tell us what is the total money supply in his city of Fort William?

[*English*]

Mr. McRae: Yes.

I am sorry, Madam Speaker, but I do not have that at hand. The next time I am in the House I will do my best to have the information for the hon. member, and I will give it to him privately. I can assure him that at this stage of the game the city of Thunder Bay is progressing very favourably and our banking needs are being reasonably well met.

To get back to regional banking, regardless of the fact that there may be more branches proportionately in western Canada than in other parts of the country and that more loans may be made, I still think it is important that there be far more decentralization of our banks and that we have a banking system that responds to the needs of individual provinces.

One of the major achievements of the economic conference I was pleased to attend a year ago last summer was that the provinces were to be permitted to set up provincial banks and to hold at least 25 per cent of the equity of those banks. This was a commitment made by the Minister of Finance (Mr. Turner) at that time because we believed it was advisable to establish these banks. I understand we have had good experience with the Bank of British Columbia. I hope we will establish banks in other areas in the name of this government so that we can move away from the process of centralization. I fully understand how very difficult it is in Thunder Bay, and how cut off we all feel from the city of Toronto and banking interests—

[*Translation*]

Mr. Lambert (Bellechasse): I rise on a point of order, Madam Speaker.

The Acting Speaker (Mrs. Morin): Does the hon. member wish to ask a question?

Mr. Lambert (Bellechasse): Yes, Madam Speaker. I rise on a point of order.

In view of the seriousness of the bill introduced by my colleague from Témiscamingue (Mr. Caouette), the head of the Social Credit party of Canada, with a view to making one or two amendments to the Bank of Canada Act, I realize how serious was the previous speaker, but I am asking the Chair if the latter could not confine his remarks to the bill rather than make a general review of chartered banks.

[*English*]

The Acting Speaker (Mrs. Morin): The Chair invites the hon. member to limit the debate if possible to the bill in question.

Mr. McRae: Madam Speaker, on a similar point of order, I maintain that you cannot deal with this bill, which would have a revolutionary effect on our banking system in this country, unless you deal with the whole banking system. I tried to point out to the hon. member that the Bank of Canada, as an intermediary financing organi-

zation, has 4.6 per cent of the total business, whereas the chartered banks have 29 per cent.

● (1740)

I do not think you can isolate the chartered banks from the Bank of Canada, nor does the hon. member for Témiscamingue. He constantly associated the two. I am trying to deal with the whole banking system, and this is a necessary part of any such discussion.

We have some very great concerns about the banking system in our country, and in the four or five minutes left to me I should like to deal with some of them. I am very much concerned with the fact that chartered banks in Canada, under the aegis of the Bank of Canada, seem to be involved in financing foreign takeovers of Canadian companies. At times it would seem easier to get a loan if you happen to represent a foreign company in this country than if you represent a Canadian company, given the same credit rating. This is one of our great concerns.

We have all seen examples of financing not being available to a Canadian company which was forced to sell out to a foreign company or corporation that in turn could immediately go to the same bank and successfully negotiate the financing of a similar project. This is the kind of thing that should be of concern to all Canadians.

We must also be concerned about the activity of foreign banks in Canada, to the extent that we are, in theory, trying to have a Canadian banking system that is all Canadian. What we have in fact is a whole system of near-banks moving into Canada, in one form or another, and in an obtuse sort of way taking over a great deal of the financing operations of the country. As Canadians we should be very concerned about this.

Let me conclude by referring to my last concern, and this is a concern I think which bothers most of us, including the hon. member for Témiscamingue. I have in mind the tremendous amount of capital, something like $100 billion, required to finance energy operations in Canada in the next 10 years. The Bank of Canada and chartered banks in Canada will have to play a much bigger role in this operation than they are playing at the present time. If we are to see projects undertaken similar to the James Bay development project in the future—and in that case we are talking about $12 billion, if we are to see projects undertaken such as an oil pipeline—here we are talking about $10 billion or $12 billion, and if we are to have the development of the Mackenzie Valley pipeline, and in that case we would be talking about $6 billion or $8 billion, these things will have a tremendously distorting effect on our whole economy.

For instance, can you imagine the effect of $10 billion or $12 billion in American money invested in the province of Quebec, particularly the distorting effect in terms of what it would do to the Canadian dollar or the pulp and paper industry in this country? That industry is very sensitive to changes in the foreign exchange rate. When the value of the U.S. dollar increases, pulp and paper just do not sell.

These are some of the things about which we must be very disturbed, and it is time the Bank of Canada, the Canadian chartered banks, the financial institutions and insurance companies became very conscious of the role they play, in terms of making sure that when these energy expenditures are absolutely necessary they are made with Canadian dollars, and that when we get into energy services, this is an area—

The Acting Speaker (Mrs. Morin): Order, please. The Chair has some doubt as to whether the hon. gentleman is going far afield in this debate as the bill in question deals only with a very small portion of the Bank of Canada Act. However, the time allotted to the hon. member has now expired.

Mr. S. Victor Railton (Welland): I have not had the opportunity to congratulate you, Madam Speaker, and I should like to do so now. It is nice to see someone of your wisdom and charm presiding over our meetings. Let me say that you grace the chair.

I am sure that the Leader of the Social Credit Party in putting forward Bill C-201 is making a serious attempt to do something for Canada by doing something about inflation. I have no doubt that the honourable member is a man of experience who knows something about money, knows what is good money and what is bad, and is not at all stupid. I understand he knows a good deal about investment.

In regard to this bill I do not think anyone can really estimate the true extent of the real credit of Canada. Let me suggest it is even more difficult to calculate our real credit worth than it is to say how much oil there may be in the ground either in Alberta, the Arctic or the Mackenzie Delta. We know the real estate value of Canada. We know what is in the banks and we can estimate fairly accurately the value of our current crops including our fisheries, agriculture, forestry and mining, but it is by no means an easy thing to calculate the real credit of Canada.

I feel that a philosophy of this political shade was not really tried, whether it be in Alberta or British Columbia, because those areas enjoyed a climate of prosperity, and the socreds ran things in an orthodox manner fiscally. I believe it is the intention of the sponsor of this bill to put forward a completely experimental idea. I am in favour of animal experimentation. I believe in the use of biological animals, to the extent that rabbits, dogs and white mice should be used for experimentation in an attempt to find some physiological way to assist medical science. On the other hand I do not believe that the people of Canada should be the guinea pigs for any experiment such as that embodied in this bill. I suggest it is purely experimental, and I see no reason why this should be foisted upon us by any group.

While I believe that the entire experience and wisdom of mankind are necessary to solve our present world troubles, particularly those associated with the world's inflationary cycle we are now experiencing anyone who would try to separate Canada from other countries in the world would not be doing Canada a kindness, even though he might have a very serious and patriotic concern or motivation.

I believe this bill is designed to fight inflation. If we regard it as such an attempt then we must return to the question: can we separate our Canadian inflation from world inflation? This bill is only for Canada. I think this bill would put us right down the drain if we were to adopt it. Let us see first of all whether we have any connection

with the rest of the world so far as our inflation is concerned. It is very important for us to decide whether we agree or disagree upon this.

● (1750)

We know very well that inflation is beyond the complete reversal we would all like to see. I think it has been well demonstrated by the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Turner), and by everything that has gone on in the last few years, that our fight against inflation really must be carried on in a very measured and methodical manner and not by the adoption of some experimental method of changing our banking system or our way of borrowing money.

In other words, we are completely interdependent, as has been mentioned by the Minister of Finance, with other countries of the world. We cannot separate our economies. We cannot afford to adopt some very different method of taxation, wage and price controls, or of banking which would place us apart from the rest of the world.

We need the other countries and they need us. I think this is the first thing we must admit. We cannot employ ways to fight inflation in Canada that would erode our prosperity. We are still prosperous. I do not think anyone would deny that.

I have had conversations with a member of the delegation which recently returned from Japan, and I had an opportunity to spend three days in Tokyo last January. I realize that Japan is going through a fairly difficult economic situation. However, it has more or less accepted this situation with open arms. The attitude of the people there is that certainly prices are up, but so are wages and profits. They realize this is a world-wide condition. They are not using any new-fangled ideas to fight the situation.

The Japanese are being careful in respect of their governmental expenses, just as we are here. They are attempting to live as closely as possible to their budget but they are not attempting to slow down inflation by increasing unemployment, and are not attempting to slow down the prosperity cycle.

I think it would be rather ridiculous for us in Canada to change our ideas when we have successfully, over the past three years, fought off inflation to the extent that we are doing better than almost any other country in the world. Here and there in respect of certain commodities some countries are doing better, but this relates to two or three commodities at the most. I am talking mainly about the United States of America.

We are in an extremely fortunate position with relation to inflation. This is because of the common sense attitude of the government. I think we would have been in a very sorry state had we brought in wage and price controls. I believe almost everyone on the opposite side of the House would admit that now. They are probably glad that this was not done. There has been a great deal of talk about it as a means of fighting inflation, but I think the common sense attitude of the Minister of Finance is the better approach; that is, to get people to realize that slowing down the economy would simply cause people to suffer and bring on more unemployment.

[Mr. Railton.]

We must increase our productivity not only in respect of farm, forest and mineral products but also in other fields. If we do these things and tighten our belts a little we can weather the storm. I think there are signs of that storm abating now. Although we have now, and will have for some months, increases in prices of certain commodities, I think we can all admit there will be a sort of flattening out onto a plateau instead of a steep rise over the next few months. It would seem to me that the common sense attitude of the world is bearing fruit.

I am glad to see the Minister of Finance selected as chairman of the interim committee of the International Monetary Fund. I think that his common sense will be valuable and will enhance Canada's reputation, especially when it is remembered that here is a country with resources of all kinds which we cannot even compute, a country of small population, a country which does not push anyone around, and a country which wants to contribute as well as it can to the underdeveloped countries.

I believe it is very important that we make use of some of the financial opportunities we have. One opportunity I really wish to turn thumbs down on is the experiment in our monetary system that was talked about by the hon. member opposite. It would seem to me to be important to realize that Canada needs investment more than ever.

Canada does not have a great amount of money. Much of our private capital is invested in the United States of America. We should realize there are people clamouring for an opportunity to invest in our country. We might start with the U.K., France, Germany and Japan. Then there are the Arab oil countries which have had such great success in bringing money into their coffers. This money must be re-invested and recycled. I believe Canada is one of the best places for the Arabs to invest their money. Madam Speaker, I see it is six o'clock. I am sorry I have taken so long.

[*Translation*]

The Acting Speaker (Mrs. Morin): It being six o'clock, I do now leave the Chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, POWERS OF INVESTIGATORS, OFFENCES

The House resumed consideration of the motion of Mr. Ouellet that Bill C-2, to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, before our break at five o'clock I was saying that the

government had introduced legislation with the concept of which few in this House would disagree. However, I feel that we in the opposition must assess the legislation to see whether it will in fact perform a useful function in increasing competition in the country. I gave certain background material, and I commented on the fact that while the government is proposing increased regulations with respect to such things as misleading advertising and misrepresentation, it does not seem to include its own activities for review in the same context.

I gave certain examples of federal government forms of advertising that I felt could be challenged and, in fact, may be challenged. Another would be the Canada Savings Bonds advertisements which refer to security, income and flexibility. In the current ads they say that for tax purposes the government of Canada proposes to permit taxpayers to treat cash bonus payments either as interest income or capital gains. They then go on to say that there will be certain exemptions from taxation.

I would point out to the House that they are referring to a possible budgetary measure that may be included in the budget of the Minister of Finance (Mr. Turner) some time between now and the middle of November. But is it fair to include that comment in an advertisement at present, knowing that the government could even be brought down before November 15? Surely members of the government learned a lesson when they were defeated on the last budget on May 9. Yet we find they have no compunction about including, in an ad for general readership in Canada, a suggestion that something is a fact when it is clearly only a possibility.

I should like to make a quick review of some of the steps that have led up to the bill before us today. In his opening remarks the minister referred to the interim report on competition policy put out by the Economic Council of Canada in July, 1969. I would point out to hon. members that it is very clear in chapter I of that report that it is in fact an interim report. It states:

> It is designated an *interim* document to indicate: (a) that further reports are to be issued, and (b) that these reports are likely to include further discussions of combines, mergers, monopolies and restraint of trade. The Council's next report will discuss patents, copyrights, trademarks and registered industrial designs. A fourth and final report will then be issued containing further observations and recommendations, notably on the subject of consumer affairs, and a general summing-up of the interrelations between the three main elements of Reference and their place in the broader spectrum of the government economic policies.

I feel that we might ask: have in fact further reports been issued by the Economic Council of Canada and, if not, why not? That question was put to Dr. Raynauld, present chairman of the Economic Council of Canada, earlier this month. I asked the following question in the Finance Committee:

> Have you prepared a further report on competition policy, which was prepared back in July, 1969? . . . what is your attitude to Bill C-2, which is the current version of the government's competition legislation, which, as you know, came out of the original study?
>
> DR. RAYNAULD: This is a good question. The problem is that I will have to decline because I think I am correct in saying that there has been no further report.

He then went on to say:

> On competition itself there have been no further reports . . . Since my appointment as Chairman of the Economic Council there has never been any mention that we would do further work in this particular field and, therefore, I have no view about the present bill which is before the House.

I mention that because surely it is odd that a minister and a government would refer to this report as often as they do, using it as a basis for the legislation that we have before us today, and yet the report on its face was an interim report, and when we ask the chairman of the Economic Council of Canada whether he has continued with further reports, he is almost startled by the question and admits that nobody even asked for further reports after the interim one was in hand.

As I mentioned earlier, the original bill that was introduced with respect to competition contained a stage I and a stage II. Stage II dealt with monopolies and combines. We are told that that legislation will be forthcoming. But it becomes a little confusing because the government tends to change ministers rather rapidly.

● (2010)

The hon. member who until recently was minister of consumer and corporate affairs, told us that stage II of the competition legislation would be in place by the end of this year. According to an interview carried in the *Globe and Mail* today, the present Minister of Consumer and Corporate Affairs (Mr. Ouellet) has said that in no way will this be done. He is still talking and intends to talk to more businessmen. That shows the government's quandary in seeking the proper approach to competition in this country. The government itself does not know what to do. That is why this bill is premature; the government has no over-all perspective of what should be done with regard to competition policy.

As I said earlier, stage II of the legislation is in the wings. Presumably this bill, also, is subject to amendment by the minister at the committee stage. The minister ought to table those amendments forthwith. This afternoon he said he was willing to compromise. I have no idea what he means by that. If he wishes, let him make those compromises. Let us see how Bill C-2 will look, as he hopes, in its final form. Then the House can deal with it as it sees fit.

Last time a bill similar to this was given second reading and sent to committee, we found that some of its provisions which were to amend the Combines Investigation Act were subsequently to be amended by the anti-profiteering bill introduced in the last parliament, read the second time and sent to committee.

Mr. Stanfield: When is that coming back?

Mr. Stevens: Yes, when is the anti-profiteering bill coming back? The outspoken Minister of Consumer and Corporate Affairs, according to an exclusive interview in the *Financial Post*, said that, after all, the anti-profiteering bill was a bit of window dressing. I suggest that more than the anti-profiteering bill is window dressing. The government's entire competition policy is window dressing.

Mr. Stanfield: Include its whole economic policy.

Mr. Stevens: Its economic policy is non-existent.

Let me refer again to the interim report of the Economic Council of Canada. On page 108 the council recommended:

—that before preparing new legislation embodying major changes in competition policy, the federal government should take the initiative in proposing that discussions of competition policy and related policies be arranged between the Minister of Consumer and Corporate Affairs and appropriate provincial ministers.

We are entitled to an explanation. Why does the government feel justified in acting on the basis of the interim report but, at the same time, ignoring the strong recommendations in that report calling on the government to consult with the provinces before legislating? Not only has the government failed to consult with the provinces; it has failed to consult effectively with business, industry, unions, farmers, and consumers. It ought to have consulted these groups before bringing forward this legislation.

I now wish to touch on the federal-provincial relations aspect of this bill and the constitutionality of some of its provisions. Proposed Part IV.1 raises difficult constitutional questions. In its report the Economic Council felt sufficiently uncertain about the creation of an administrative type of tribunal that it recommended a constitutional reference to resolve the doubt. If the legislation should be passed, it would be necessary to decide if proposed Part IV.1 is proper under the federal government's existing criminal law powers, under its trade and commerce powers, or under the peace, order and good government provisions of the British North America Act.

Mr. Lang: It is proper under all three.

Mr. Stevens: Proposed Part IV.1 does not appear to be concerned with criminal offences, in the sense that term has been traditionally described in our jurisprudence. There are many cases at the privy council level and at the supreme court level dealing with court interpretations of the federal government's trade and commerce power. These decisions do not provide much of a precedent for what is covered by proposed Part IV.1. Generally, they confirm the federal government's power to regulate the importation and interprovincial movement of commodities and, in turn, the provinces' lack of power to do so.

Proposed Part IV.1 is not confined to interprovincial agreements or marketing practices, and a long line of marketing cases sets the precedent that federal regulation under the trade and commerce power cannot be rationalized on the grounds that the subject matter has an interprovincial character.

That leaves us with the peace, order and good government power. This would be the court's last resort in trying to justify proposed Part IV.1 as being within federal competence. Therefore, as the powers to be given to the Restrictive Trade Practices Commission form such an important part of this proposed legislation, it appears that much of the bill rests on a shaky constitutional basis.

Is that the way for the government to lay a foundation for competition policy in Canada? Would it not have been better to have had prior provincial consultation with a view to constitutional change, if necessary, in order to ensure a sound approach to those matters proposed under Part IV.1?

The extension of the Combines Investigation Act, as proposed in Bill C-2, into the service field would aggravate the problem which now exists with respect to the overlapping of federal and provincial regulatory laws. If the federal government wants to avoid embarrassments brought on by passage of this bill, it should make it clear that the provisions of the Combines Investigation Act which cover services will not apply if they conflict with provincial law.

British Columbia recently enacted a Trade Practices Act, and in Ontario there is Bill 55, the Ontario Business Practices Act. These acts cover fields similar to those covered by the provisions of proposed sections 36 and 37 in Bill C-2. It is unfortunate that the federal authorities did not co-ordinate their legislative program in this area with that coming under provincial jurisdiction. We do not need two sets of criminal sanctions to govern essentially the same type of behaviour.

Proposed sections 29.1 and 31.1 contain new enforcement and remedial provisions which have attracted considerable hostility, as the minister is no doubt aware. The first section mentioned would give an interim injuctive power, while the second would entitle an aggrieved party to recover damages arising out of the commission of a Part V offence with regard to a breach of a Restrictive Trade Practices Commission order. In both cases we have evidence of the unsatisfactory result obtained by trying to force a civil remedy into the tight confines of the criminal law.

A further constitutional problem arises with respect to the conferring of original trial criminal jurisdiction on the federal court which, until now, has been presumed to be a prerogative which belongs exclusively to the provinces. The main issue arises because of the conflicting provisions of the BNA Act, which may only be resolved through constitutional change.

This all shows that in bringing forward this bill the minister is taking us into uncharted waters. He mentioned earlier that the previous minister of consumer and corporate affairs had outlined certain features of this legislation at second reading but he did not elaborate on the details.

● (2020)

I do not intend to go into detail on what we said on second reading, but I think it is important that we reiterate some of the points made so effectively by the member who represented the riding of St. Paul's at that time. On March 13, 1974, he said as reported at page 484 of *Hansard*, that the Restrictive Trade Practices Commission would be creating:

—to all intents and purposes, a new, highly centralized agency which has the potentiality of interposing itself into a major segment of Canadian political and economic life... the bill will permit the Restrictive Trade Practices Commission to alter or restructure market distribution systems in Canada in an unprecedented fashion.

We reiterate that point, Mr. Speaker. As reported at the same page he pointed out that decisions are delegated to the Restrictive Trade Practices Commission under the bill. He stated that in his view the government would wrongfully be abdicating its own responsibilities to make policy decisions of this magnitude, and he asked that it reconsider vesting decision making of this sort in the commission and consider vesting it in the Governor in Council. We reiterate that request, Mr. Speaker.

At page 485 he pointed out that:

—the commission is left to make its own rules for the regulation of its proceedings and the performance of its duties and functions under the act.

Again we reiterate that. He also stated.

There are various classes of service industries which are exempted for one reason or another.

The largest and most important classes, the ones I have just referred to, that are controlled by provincial legislation at the present time, are unfortunately not exempted. This will cause confusion.

At page 486 he stated:

We think it is high time in Canada that the government applied anti-combines laws to the labour unions.

We would be most interested to hear from the minister precisely why he has persisted in exempting the labour unions from this type of competition legislation. Later he said, as reported on the same page:

—we believe the minister should at least provide an acceptable rationalization as to why the banks should continue to be treated differently, under the jurisdiction of the Minister of Finance. This is a different and softer type of combines regime than exists for other financial institutions such as the trust companies and insurance companies.

I felt we should get this on the record once again, Mr. Speaker. Let me emphasize that the points raised in more detail by the hon. member at that time are reiterated today when considering this bill, as far as we are concerned. I would go further and say that we are concerned that the ambiguities contained in Bill C-2 may discourage aggressive business behaviour and create a climate of uncertainty which makes business planning difficult. It will place an unnecessary and undesirable economic burden on the community. Businessmen are naturally reluctant to make commitments when the laws which regulate their behaviour are not clear. The result is that desirable economic activities will likely be curtailed unless the rather ambiguous sections of the bill are clarified.

During the course of debate a number of specific suggestions will be offered by my colleagues. Let me state very briefly that we believe there should be clarification of such terms as "product", "business" of lending money, "unreasonably low", "widespread", "major supplier", "inadequate", "chances" of winning a prize in a promotional contest, and the distinction drawn between local and national advertisers. I am quoting directly from the bill, Mr. Speaker, and suggesting that these terms should be clearly defined.

There is the word "article" for instance. In its present context the word would cover shopping centres, making it a criminal offence to operate a shopping centre in this country. Is that the understanding and wish of the government? According to clauses 32(1)(c) and (d) and 38(6) it would appear to be an offence even to ask people to rent space in a shopping centre so long as the word "article" is not defined to make it clear that that type of operation is not included.

In another of his interviews with the press the Minister of Consumer and Corporate Affairs stated he believes this legislation will not receive as much opposition as previous legislation because "businessmen are tired out". What a strange statement for a minister of the Crown to make! Someone suggests it is a bit like the Chinese water treatment where the philosophy apparently is that if you constantly wear away at them, somehow the public and the business community will throw up their hands and say, "What will be, will be".

Mr. Beatty: We are getting one drip after another from the government.

Mr. Stevens: Mr. Speaker, the hon. minister forgot about the loyal opposition in this House.

Some hon. Members: Hear, hear!

Mr. Stevens: Speaking about appointments—and with my colleagues I have to congratulate the minister on his appointment—I think we must sometimes question the thinking of the Prime Minister (Mr. Trudeau) when he chooses a new minister.

Mr. Reynolds: He had to get him out of the Post Office.

An hon. Member: He has gone from triumph to triumph.

Mr. Stevens: When someone takes on a new post, Mr. Speaker, I think it is natural to take a fleeting glance at how he did in his old post. I would not mention this if it had not already been brought out in the brochure published by the Canadian Tax Foundation, entitled the National Finances 1973-74, where at page 211 we catch a glimpse of the business capabilities of the minister we have now as the Lord High Potentate of Commerce. In his one short year in the Post Office it went from a surplus of $6 million to a deficit of $75 million.

Mr. Gillies: That takes work.

Mr. Stevens: Mr. Speaker, perhaps that is an indication of how it is determined who gets what portfolio in this government.

Mr. Reynolds: Wait until he is the minister of finance in the new year.

Mr. Stevens: Having pointed out some of the consequences if this legislation is passed, I should point out that it is particularly the small businessmen who will be hurt by the competition policy proposed by the government. They have been particularly hard hit already by the government's policies.

● (2030)

Although 60 per cent of the work force is employed in small business, we find that between 1962 and 1973 their employers' share of the national income fell from 10.7 per cent to 7.5 per cent. The fact is that this legislation would have extremely harmful effects on the business community, especially the small businessmen.

I mentioned earlier that the bill does not fit in with any overall industrial strategy. In fact, as we know, the Minister of Trade and Commerce (Mr. Gillespie) is unique; he takes great credit for having said that the government has no industrial strategy. I mention this because I believe the trade deficit with respect to manufactured articles sold for export is becoming alarming. In 1972 that deficit amount-

ed to 1.5 billion. In 1973 it was $2.2 billion, and in the first half of this year alone it had risen to $2 billion. The only way this country is able to maintain a trade surplus is by selling off a like amount of natural resources.

If the minister is serious in saying this is a bill by which he hopes to catch big business in this country, he should be as good as his word and place a provision in the bill assuring it will not affect small businessmen with assets below a certain amount. Such a provision was included in the Foreign Investment Review Act passed by the last parliament, and I would recommend that a similar course be taken by the minister in any competition legislation he might bring forward.

I mentioned there was an absence of consultation with various sectors of our economy. I would suggest the government consider establishing a national industry and productivity council on a fully functional basis, with a working staff drawn from its own constituent components from government, both federal and provincial, business, industry and labour, and that its purpose be the co-ordination of an effective national industrial policy; that it formulate guidelines for the establishment, location and financing of new industry or the expansion of existing industry; that it provide for the elimination of uncoordinated and counterproductive development in the various regions of Canada; that it work toward the elimination of the atmosphere of confrontation which now exists between government, federal or provincial, management and labour; that it provide for the better equipping of Canadian industry to meet changing economic conditions and for the improvement of the rate of growth in productivity in both the private and the public areas.

This would be a worthwhile step for the government to take, and certainly would be more constructive than bringing in a piece of legislation which might be more harmful than helpful. Judging from the record of the Department of Consumer and Corporate Affairs I suggest it might be preferable if the corporate affairs part were switched to the jurisdiction of the Department of Justice. This would ensure the services of a full-time minister of consumer affairs who would be able to devote all his energy to protecting the interests of the consumer.

There are others in my party who wish to speak. I have attempted to outline our thinking on this legislation. I am sure members who support the government are more than willing to give us ample opportunity to express further views concerning the legislation. After all, five bills have been passed in the last few days; surely they will not mind a few speeches concerning the bill now before us.

In conclusion, let me say that I think competition is a good thing. We in this House, and certainly the members of the party to which I belong, endorse competition.

Mr. Benjamin: What is that?

Mr. Stevens: However, we should not, in the name of increasing competition, put legislation on the statute books which is inequitable, which will have the effect of impairing competition and which will be poorly administered by such a body as the Restrictive Trade Practices Commission.

[Mr. Stevens.]

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, the first thing that strikes me about the bill we are considering this evening is its title which reads: "An Act to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code." It is also known, euphemistically, as the competition bill.

I should like to examine several questions, one of which asks what competition this bill purports to regulate? Is it competition between competitor and competitor? I suggest that the bill before us serves, in fact, to institutionalize the present situation of competition between buyer and seller, competitor and consumer. Here, Mr. Speaker, for the benefit of the *Hansard* reporters, each and every time I use the word "competitor" it should be placed in quotation marks.

Lest hon. members think I displayed a partisan bias in my initial remarks I would ask them to heed the comments made in a speech delivered by an advertising executive to a meeting of the Canadian Grocery Distributors Institute in Toronto in February, 1973. He said, and I quote:

> So what's so bad about industry co-operation? After all, your competitors aren't your enemies but your consumers are.

I suggest this was no accidental remark but rather an accurate indication of the mentality of most "competitors" in this "free enterprise" system. Another note to the *Hansard* reporters: each and every time I utter the words "free enterprise" in this speech, they too should be enclosed in quotation marks.

I am sure the government is well aware of the fact of which the advertising executive spoke. Having read this bill and all the related material, and having heard so much about the great "free enterprise" system, I am led to observe that it is indeed strange that corporations have to be legislated into making some token display of competition with each other. One would expect that by the very definition of "free enterprise" they would be just dying to compete. But that is not so. These so-called "competitors" have to be forced to compete with each other.

● (2040)

When this bill is not attempting to force "competitors" to compete, it is attempting to regulate the aggressive competition which actually exists; that is, the competition of the companies against the consumer. Unfortunately, the only people left in the dark as to the true situation are the Canadian consumers, who daily frequent the marketplace. This, to me, is one of the most reprehensible aspects of this bill—it only pretends to regulate, it does not actually regulate—and the consequent effect is to lull the Canadian consumer into a false sense of security.

In case this House thinks I am dabbling in rhetoric—

Some hon. Members: Hear, hear!

Mr. Rodriguez: I am glad hon. members are applauding because I should like to deal with some of the specific measures which the government holds up to the public with the claim that they are beneficial. We have, for example, the practice of double ticketing. The bill will make it unlawful for a company to sell at other than the lower price of the double ticket. Yet the bill will not

prohibit what the Food Prices Review Board, in its report of November 1973, described as the "accepted business practice of revaluing inventories as prices change".

Clearly, the thrust of this legislation should not merely be one of warning the companies that they have to clean up their up front operations, not, of course, unless the government agrees that it is the consumer who is competing with the companies, in which case maintaining the companies' freedom to overprice inventories under the counter rather than over the counter is most consistent.

Let us look at another provision of the bill which, for the life of me, I cannot believe is actually seriously proposed by the government. That is the amendment which would provide the right of action to individuals who suffer as a result of conspiracy on the part of companies. Well, I would suggest to the government that all individuals suffer as a result of conspiracy on the part of companies, and that what is needed is a provision for class actions, not individual actions.

Let us take the example of our three major sugar importers, Atlantic, Redpath and St. Lawrence, who were convicted of price fixing back in 1963. All three companies were fined and placed under a restraining order to prevent future collusion. Yet these three companies are back in court again.

It is my understanding that the prosecutor has estimated the cost to the Canadian consumer of the price fixing activities of the companies at somewhere in the neighbourhood of $125 million between 1960 and 1973. I would suggest—and I am not commenting on the present trial one way or the other—that if this is so and the companies are again convicted, and some rough determination of the bilking yield is made, then it ought to be possible for consumers as a class to demand that their moneys be returned to them, and the fines levied should equal the amount bilked from the public by the price fixers.

I wonder about the sincerity of the government's intentions when it pretends to expect an individual to go about the business of attempting to figure out the dollars he may have lost to the sugar companies over 13 years and then attempt to sue on an individual basis.

Let us take this issue to its logical conclusion. If the government seriously believed that in cases of conspiracy the individual consumer would pursue his right to take the companies to court, what would they propose to do with the resulting glut of court cases? Can we picture, for instance, every individual household head first figuring out what he is owed, and then all proceeding to court at the same time? It boggles the mind somewhat. Obviously it does not boggle the corporate mind; they do not have to worry.

If I view the lack of competition between companies as alarming, there is something I find even more alarming, and that is the government's failure to deal with vertical integration of huge companies. Let me give yet another illustration of the manner in which "competitors" engage in competition, not with other "competitors" but with the consumer. The outstanding example is the George Weston Limited company which, in its annual report, calls 1973 "a gratifying year". And well it might be gratified with after tax profits standing at $34.6 million, an increase of 86 per cent over 1972.

The consumer might be deceived into thinking that the Weston company is in a deathlock competition with other manufacturers of food goods. But in fact George Weston Limited is in competition mainly with George Weston Limited.

A quick survey of some of its "competitors" reveals nothing more than a long list of its own subsidiaries, which include some of the biggest, best known and most powerful food manufacturing companies in Canada. There are, for example, Weston Bakeries Limited, the largest bakery in Canada; Weston Foods; McCormicks; William Nielson Limited; British Columbia Packers, Canada's largest fish processor; Connor Brothers Fisheries; Somerville Industries Limited; Westfair Foods; Kelly, Douglas and Company; and of course the Loblaw group. Then there is National Grocers, Atlantic Wholesalers, B.C. Packers with subsidiaries of its own, including Nelson Brothers and Rupert's Certi-Fresh Foods. We then have Connor Brothers, with its subsidiaries W. H. Welch Limited and Lewis, Conners and Sons Limited, plus a host of other associated companies.

What does this mean when the consumer walks into a grocery store, Mr. Speaker?

An hon. Member: That the price is right.

Mr. Rodriguez: Yes, the price is right for George Weston. Let me use salmon as an example. The consumer is confronted by an overwhelming array of brand names, a few of which are the following: Carnation, Universal, Surf, Ferndale, Overwaitea, Rose Marie, Red Rose, Pine Tree, High Seas, Sea Lord, Silverline, Fraser Gold, Swallow, Clipper, Tip Top, Streamline, Sea Trader, Queen Charlotte, A & P, Clover Leaf, Maple Leaf, Paramount, Laguna, Sea-Gift, Robin Red, Loblaws and Thunderbird.

But, Mr. Speaker, the confusion does not end there. There is cohoe and keta, sockeye and whitespring. Then there is red salmon or pink salmon, minced or creamed salmon. Then you have a choice of trying to figure out the per ounce price of, would you believe, cans that contain either 15 ounces or 15½ ounces, three and three quarter ounces or seven and three quarter ounces. Why three quarters of an ounce, Mr. Speaker? But let me not digress into another area that is badly in need of this kind of government legislation.

Little does the consumer know, as he or she struggles to determine the per ounce price of the different brands and can sizes, that it does not really matter what brand is purchased—the money is going into the same pocket, in this instance the George Weston superpocket. What does this piece of legislation do to encourage competition? Can this government show me one element of the competition bill which encourages competition in the salmon industry?

Further, the Economic Council of Canada, in its report on competition policy of July, 1969, concluded that in many areas of activity "monopolistic tendencies have all but eliminated competitive market responses." For a long time the food industry was not as intensely monopolized as it is today. Today we find farmers being driven off the land as agribusiness takes over. Farmers' markets used to

flourish, as well as door to door food selling, but they have been rapidly replaced by supermarket selling. At one time there were numbers of local cheese factories across this country; now there is only Kraft.

I realize that the minister has promised a review of this legislation with particular reference to an examination of the more fundamental questions which arise in a study of the structural characteristics of our economy. However, I suspect that Bill C-2 is an indicator of what will come in the second stage of the legislation.

● (2050)

I note from this morning's *Globe and Mail* that the minister intends to initiate extensive discussion with business, of course, before the introduction of the second stage of the legislation can be expected. The minister said, and I quote:

I don't want to bulldoze the second phase because it comes to the crunch of business philosophy. It is an entirely new approach.

It is not so new, I think, Mr. Speaker, especially when I note the minister's comments in this morning's edition of the *Gazette* in respect of his views on the anti-profiteering bill. The minister is reported as having said:

I have to make it quite clear that I hope this bill will never be used.

Some hon. Members: Oh, oh!

Mr. Rodriguez: The best is yet to come. He is reported as having said:

I consider it as an instrument that the government ought to have, and no more. We need it, for example, for the Food Prices Review Board. If Mrs. Plumptre were to make recommendations pointing out clearly instances of abuse, the government does not have any instrument or any leverage to act. I think we need it as a sort of show-case. Can I use the word window-dressing? We should have this bill for that reason. I really do not want to use it, or look forward to using it, because I have no objection to profits.

It is fairly obvious that when the government removed one minister, putting him in the backbenches, and brought forward this minister it was very much like digging a hole to fill a hole. I think this minister communicates more with the people; his kind of people—the corporate people.

I realize that we are talking here about the competition bill and not the anti-profiteering bill but I suggest that the minister's comments bespeak the mentality of the government in any legislation it undertakes which might protect the consumer from the "competitors."

Let me again refer to the minister's comments in the *Globe and Mail*. I note he feels that the trend of low fines for combines offences in the past is not a problem of law but, according to him, "a problem of our attitude". He goes on to elaborate that Canadians are not yet accustomed to seeing large fines or jail sentences for these kinds of offences. What a masterful piece of double talk that is!

If Canadians are not accustomed to seeing large fines or jail terms handed out for offences causing suffering to the consumer I suggest it is the fault of the Department of Consumer and Corporate Affairs.

This leads me to another area of doubt about this bill. The basic legislation has been around for a long time, but I note that the Restrictive Trades Practices Commission has not been noted for its in-department vigour. For instance, by law that commission is to have three members, but the number has gradually dwindled to one. I note as well that in 1970-1971 the commission spent only 41 per cent of its budget; in 1971-72 it spent only 61 per cent, and again in 1972-73 only 61 per cent of its budget was spent.

It is amazing that one of the few commissions holding a clear responsibility to protect the consumer and save the consumer dollars, engages in saving taxpayer dollars put aside for that purpose. Well might the minister lament the lack of exemplary fines and jail sentences for offenders. His department and the Restrictive Trade Practices Commission are obviously at fault in showing a lack of example in initiative to the rest of the country.

To sum up, this bill with all its complexities does not propose any measure that a self-respecting corporation could not circumvent. Any corporation in this country worth its salt could circumvent any one of the provisions of this bill.

As far as my party is concerned, there ought to be two principles involved when a sincere government sets about to bring forward competition legislation. Firstly, monopolistic control over production, distribution and marketing of goods and services should never be permitted and, secondly, the government must intervene in the marketplace to provide consumers with goods of quality at reasonable prices. This bill does not even remotely approach these principles.

Mr. A. C. Abbott (Mississauga): Mr. Speaker, in rising to speak on this bill I should like to congratulate the minister on his appointment and for his fine speech this afternoon. The minister once again has demonstrated his competence and his knowledge, and in the very early opportunity he has had he once again has demonstrated his approach and intellect in meeting the complexities of this legislation.

Tonight we heard a lengthy address by the hon. member for York-Simcoe (Mr. Stevens) regarding this bill. He spent very little time dealing with the bill itself, but carried us forward to a variety of topics, including a general discussion about the Department of Consumer and Corporate Affairs. The hon. member referred by some striking financial sleight of hand to the number of complaints received by the department, and then went on to divide the number of complaints into the amount of money spent on the entire consumer services of the department, some $17.5 million, telling the House that this was the total cost of all complaints received in any one year since the department was formed. The hon. member obviously drew this figure from the 1974-75 estimates covering a variety of activities, of which approximately $1 million represents expenditures by the branch which looks after consumer education, information and complaints.

I noticed that the hon. member was not content with referring the House to these striking observations, but also told the citizens of Toronto at a meeting of a chapter of the Institute of Chartered Accountants the same story. I assume that when one reflects on that point raised in that part of the hon. member's speech one can judge the merit of the rest of it.

Again the hon. member referred to a number of problems he foresaw during this parliament, including that in

respect of "a brutal majority," to use his colourful words. I suggest this is a strong phrase to use to describe what is only a moderate majority, but one which I think the Canadian people are gratified to see on this side of the House.

The hon. member referred to the fact that in this competition bill, again to use his colourful words, "we are sailing through uncharted waters". We have heard the minister's comments and we are aware of the endless references in this House to this whole area of competition policy since 1966 when it was introduced by the economic council in its report, reiterated in various pieces of legislation, and again only in the last session in the legislation which received second reading and went to the committee.

● (2100)

Once again this bill has been introduced. Once again the public is to be given the opportunity, both consumers and business organizations, to bring their points of view before the committee. Surely that could hardly be described as uncharted waters.

There were some points of substance raised by the hon. member for York-Simcoe, but they were in what might be termed a derivative fashion since he drew a melancholy note in respect of the words of the former hon. member for St. Paul's who is no longer with us. Unfortunately the people of St. Paul's did not choose to return that particular member, but his words will be immortalized in the *Hansard* of the thirtieth parliament thanks to the contribution of the hon. member for York-Simcoe.

The minister, in his comments on this bill, did not choose to reiterate in complete detail each and every policy that is contained in the bill because this is all familiar to members of the House. It is hoped when the committee deals with it, and deals with it hopefully expeditiously, this long planned competition policy for Canada will be made into law.

I think there are a great many Canadians who have seen defects in the previous legislation, in the draft bill which was introduced. I happen to be one of those who found a considerable number of defects in the original draft legislation which was brought into this House, but the bill we have before us this evening is one which, on almost every count, is bringing Canadians a first-class competition policy.

Instead of bulldozing a policy through the House the previous minister and the minister before that introduced a draft bill, and allowed the most elaborate possible type of consultation. Out of that elaborate consultation was derived a bill which can now come before parliament without fear that it will be a disservice to the Canadian people.

During the previous committee stage certain proposed amendments were introduced. Some were of a minor or technical nature. Some dealt with specific wording such as the hon. member for York Simcoe asked be considered. I hope these amendments will reappear. I hope that perhaps some others might reappear as well. Most of them are of a minor or technical nature dealing with anomalies in particular spheres of industry which were not contemplated at the time the bill was drafted.

I find it curious that the hon. member for York Simcoe does not want amendments introduced, wants all the amendments introduced today, does not want the bill to receive any positive treatment at the committee stage, and does not want any reaction to contributions made by industrial, business or consumer groups.

The hon. member for Nickel Belt (Mr. Rodriguez) made a speech containing some extremely fishy references and long lists of products. However, I did find one clause of the bill on which he reflected where I too share his dissatisfaction, although I do not think for quite the same extreme reason. I do not find the clause in respect of double ticketing a particularly effective one to be introduced into such an important blueprint for the competition policy of this country.

I hasten to say that I do not support the practice that is known as double ticketing by retail food stores. I think those stores have given their undertaking in this regard, and are not practicing this unfair form of behaviour. In any event I do not think this is a particularly appropriate clause to introduce in a bill of this scale. As the hon. member pointed out, it really does not deal with the question of the revaluing of inventories. I think very few members of this House would suggest that at no time should there be no ability on the part of businesses or industry to revalue their inventories.

Apart from that, I do not think this particular clause deals with the revaluing of inventories but rather deals with a particular practice of a grocery company finding additional stickers on a package and then not choosing to award the customer the lowest of the particular prices. My objection first is that I do not think it is broad enough or important enough to place in a bill of this dimension. Second, I think this often is brought about inadvertently by companies handling hundreds of thousands of items. It might be that every day by accident they are committing this particular offence. To that, extent, and that extent only, would I support some of the comments made by the hon. member for Nickel Belt. I wish to say, however, I believe the Canadian people are aware now that parliament intends to introduce a piece of competition policy that will suit this country and be more akin to the type of advanced concepts in other nations. I suggest that time has arrived. I also suggest I do not believe it will require "a brutal majority", the description used by my hon. friend. I think this bill, its concept, and the amendments which may be made in committee and reintroduced in this House will commend themselves, and I trust will soon be made into law for the benefit of Canada.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am glad to say a few words on Bill C-2 dealing with combines and especially the little gimmicks used by small companies to inflate or fix prices in order to sell their products at higher prices.

In my opinion, this bill does not go far enough. I commend the minister for introducing a bill which will enable Canadians to control this sector of the economy. This bill amends the Combines Investigation Act and the Bank Act and repeals the act to amend an act to amend the Combines Investigation Act and the Criminal Code. Everyone knows, Mr. Speaker, that the Bill C-2 does not go far

enough and leads nowhere. When one thinks that financiers may decide at any time to go into a combine without the knowledge of the government, in order to control prices and make profits! Let us take for example the price of fabrics. Imported fabrics are paid 45, 60 or 65 per cent more than the purchase price. Five, six, seven or ten national or international companies have agreements with import companies, and what is paid $2.10, Mr. Speaker, sells for $9, $10, $12 or $15 to the consumer. Section 3 of the bill, on page 31A, reads as follows:

(3) No dealer shall refuse to sell or supply an article or commodity to any other person for the reason that such other person

(*a*) has refused to resell or to offer for resale the article or commodity

(i) at a price specified by the dealer or established by agreement,

Mr. Speaker, because of provisions before sub-paragraph (ii), chances are we will be all wrapt up in details while trusts will profiteer at the expense of the consumers.

(ii) at a price not less than a minimum price specified by the dealer or established by agreement,

(iii) at a markup or discount specified by the dealer or established by agreement,

(iv) at a markup not less than a minimum markup specified by the dealer or established by agreement, or

(v) at a discount not greater than a maximum discount specified by the dealer or established by agreement; . . .

Mr. Speaker, they all finish with the expression "agreement" or "establish by agreement", by a group of importers who are often ignored by the government because they are too dissimilar. And yet, many firms import and offer on their shelves consumer products whose prices have been increased by 500, 600 or even 700 per cent. I feel that this bill is not going far enough and I congratulate the minister for introducing this bill at this time. In my opinion, however, it would have been necessary, before introducing such a bill, to seek the advice of departmental officials in order to go even further.

Mr. Speaker, let me quote sub-paragraph (*b*):

(*b*) has resold or offered to resell the article or commodity

(i) at a price less than a price or minimum price specified by the dealer or established by agreement,

(ii) at a markup less than a markup or minimum markup specified by the dealer or established by agreement, or

(iii) at a discount greater than a discount or maximum discount specified by the dealer or established by agreement.

(4) Every person who violates subsection (2) or (3) is guilty of an indictable offence and is liable on conviction . . .

Mr. Speaker, we ought to know who will determine which, the consumer or the buyer, is liable of a criminal offense. For the moment, we are speaking of an act qualified as criminal under the Criminal Code, that is increasing the price of a given item by means of a coalition. Mr. Speaker, the importer or the vendor can, under the terms of this bill, form a coalition or come to an agreement on the sly, to make big profits the department cannot because a bi-, tri- or other partite agreement is made.

To my mind, this bill is not far-reaching enough. That is why we feel the minister in charge of the matter should, as early as tomorrow, make changes in the bill or at least ask his officials to change the question of tri-partite agreements in relation to imports or exports, to fix prices as mentioned in the bill.

[Mr. Beaudoin.]

● (2110)

[*English*]

Mr. Jim Balfour (Regina East): Mr. Speaker what the bill before us attempts to achieve is basically reform in two areas. The first is that area generally referred to as consumer protection. The various provisions in this area have been discussed in the House today and when the previous bill was debated on second reading in March of this year. Briefly speaking, these provisions cover the subjects of misleading advertising, bait and switch selling, pyramid selling, referral selling, the professional sports provisions, and resale price maintenance to an extent. At the moment, most of these are still within the criminal law framework; they are in the form of prohibitions to violations to which penalties will attach.

These various subjects were discussed at great length at the Special Committee on Trends in Food Prices. It was one of the recommendations of that special committee that these aspects of the earlier competition bill be brought forward at the earliest opportunity, and I assume that the re-introduction of this bill is in response to a general feeling in the country that these undesirable trade practices require regulation.

It is generally the position of our party that those provisions, with a few technical exceptions, are desirable and should be expeditiously enacted into law in this way to assist the consumer who, at this time, is confronted by the ravages of a runaway inflation and spiralling cost of living, and therefore is in need of any protective mechanisms which we as a parliament are in a position to supply.

On the other hand, this bill contains another whole area which creates a new civil jurisdiction in the form of a restrictive trade practices commission which will become, for all intents and purposes, a powerful new judicial or quasi-judicial tribunal. While replacing the criminal jurisdiction with civil jurisdiction in this area of the law is probably desirable, I think it will be acknowledged on both sides of the House that there are thereby created potential problems which pertain to the sweeping nature and extent of the powers to be given to the restrictive trade practices commission by the legislation before us. To a certain extent the power given to the commission is discretionary and, to a certain extent, it is power given to a tribunal in this country which may fairly be said to be unprecedented.

Despite disclaimers to the contrary there are problems about the scope and the extent of a so-called right of appeal from this tribunal which may continue to cause considerable concern to a great many people.

There are also problems relating to the procedures to be followed by that tribunal. The bill before us refers to certain practices which will be subject to review by the restrictive trade practices commission, practices which the government has itself acknowledged may in some circumstances be desirable, which may be permitted by the commission and, in other situations and other circumstances, may be considered undesirable and subject to a prohibitive order of that tribunal. The powers of the commission in this respect are civil and discretionary in their application.

The bill before us involves fundamental philosophical considerations of a political, legal, economic and federal-provincial nature. To all intents and purposes it creates a new, highly centralized agency which has the potential of interposing itself into a major segment of Canadian political and economic life. Affecting matters within both federal and provincial jurisdiction, the legislation will permit the restrictive trade practices commission to alter or restructure market distribution systems in Canada in an unprecedented fashion.

This is major legislation and deserves careful scrutiny and a full and informed debate, not only by members of this House but by the many consumer groups, business interests and provincial governments who will be directly affected by its provisions.

By this legislation a restrictive trade practices commission has had effectively delegated to it the power to make decisions which can have a fundamental policy impact on relations between sovereign countries, and which could adversely affect Canada's foreign trade or external relations. By so doing the government will be abdicating its own responsibilities to make policy decisions of this magnitude.

● (2120)

I strongly urge that the government reconsider delegating in this way decision-making power of this magnitude to the commission, and consider vesting it in the governor-in-council, in the same fashion that it does in making decisions to reduce tariffs or in making decisions respecting the so-called "significant benefit" provision under the Foreign Investment Review Act.

The powers of the restrictive trade practices commission in this area should be limited to making recommendations to cabinet, but let us not have any abdication of responsibility on fundamental questions of economic policy. The Canadian public are entitled to know what the government of Canada will do about the implementation of a foreign law that may affect our external trade or foreign relations. This responsibility is appropriately the government's and it ought not to shift this responsibility to a commission such as the restrictive trade practices commission.

The point, Mr. Speaker, is not who is right or wrong in a particular case. The issue is who should be the responsible body for conducting our affairs with other countries with whom our trade and investment connections provide an infinite series of effects and counter-effects vis-à-vis each other. It is truly an astounding proposal that a responsible government would see fit to turn over in this way, even on a limited basis, such power to an appointed, independent body having no general responsibility for the conduct of relations between Canada and other countries.

Let us now turn to a review of some of the powers which it is proposed will be granted to the restrictive trade practices commission. Take first the far-reaching power to review instances of refusals to sell a product and to order a supplier to supply or to recommend tariff changes.

The implementation of this power may have a radical impact on the nature of distribution systems for products in Canada totally inconsistent with the real economic and structural facts of life in this country. The provision puts the onus on the seller to justify his distribution system when he is called before the commission. Why not follow the ordinary principles inherent in our judicial system in this country, and place the onus on the director of investigation and research who brings the initial application to establish at least a prima facie case of inadequate competition?

It is simply not true to say that in all cases or even in most cases a refusal to sell is equivalent to inadequate competition; however, the temptation to draw this conclusion for the commission could lead to serious abuses. This provision raises serious questions and has serious implications for various franchise systems, the practice of private branding, off-shore suppliers and technical servicing requirements.

This criticism applies equally to the exclusive agency and tied sales provisions. Today a manufacturer can sign an agreement with a distributor requiring the distributor to promote and sell only his products. To both parties the common business sense of this is obvious. The seller gets a distributor with a strong interest in promoting his products. The distributor is ensured his efforts will not be expropriated by someone else.

If the commission gets under way, however, by defining a product restrictively it could, in the case of a car dealership, for example, result in a Volkswagen dealer getting an order allowing him to break his contracts of exclusivity and, at the same time, an order against Toyota and General Motors requiring them to supply him with cars. The result would be bad for the three manufacturers because of decreased sales efforts, bad for the consumer because of the dealer's probable inability to service three makes of cars, and no doubt eventually bad for the other dealers, one, or more, or all of whom could very well end up going out of business.

The net result would be less competition, not more, even though there might appear to be a short-term benefit. I would have hoped that the minister would provide a fuller explanation of what he is trying to achieve and how he justifies the means that he has adopted.

I also suggest to the minister that there are procedural problems and questions which must be raised in connection with the powers that are to be granted to the Restrictive Trade Practices Commission. To leave a commission of this sort free to make its own rules for the regulation of its proceedings and the performance of its duties and functions may well lead to uncertainty and arbitrariness in proceedings before the commission, problems which could easily be overcome through specifying certain minimum procedural protections in the legislation itself.

The act should spell out in relation to persons who might be called before the commission the right to reasonable notice of the hearing, the right to call and examine witnesses and to cross-examine other witnesses, the right to reasonable adjournments of the hearing and, finally and perhaps most important, the right to a written decision with reasons. I suggest further that the minister should consider carefully whether there is a need for a substantive right of appeal to the courts from an order of the restrictive trade practices commission.

I am instinctively suspicious and skeptical when it is explained to me that a right of appeal on the merits is denied Canadians on the grounds that the decision-making tribunal possesses special expertise or sophistication which has been denied to or is lacking in the judiciary of this country. That explanation is sheer nonsense. The members of our judiciary are trained and competent to hear and determine on appeal questions of law and fact determined by any quasi judicial or judicial tribunal in this country, however complex may be the facts and issues involved.

It must simply be made incumbent upon the restrictive trade practices commission to articulate clearly and precisely in written form the factual situation and the law applied to the factual situation by it in arriving at its conclusions affecting the rights of Canadians.

Returning to the consumer protection provisions dealing with such matters as misleading advertising, bait and switch-selling, untrue or misleading warranties and pyramid selling, there are a few matters of principle which I would urge the minister to consider. Why, for example, has the government eliminated the defence of honest mistake under those sections? In moving from the credulous man test to the general impression test, why did the government consider it necessary to propose in new section 36(5) to insert a literal meaning test as well? Why does the government exempt printers and publishers from misleading advertising prosecutions but not broadcasters?

To what extent, if at all, has there been consultation with provincial governments which possess jurisdiction to introduce their own legislation on warranties and testimonials and the other objectionable practices mentioned? What potential for conflict with provincial legislation exists in the absence of consultation, thus causing uncertainty and confusion for those engaged in commercial activity? Or is this simply another example of the propensity of the government to substitute confrontation for consultation in its dealings and relations with the governments of the provinces of Canada.

In considering the far-reaching powers to be granted by this legislation to the restrictive trade practices commission, I reiterate the hope expressed by my former colleague, Ron Atkey, that all members of this House will ask themselves the question whether all the provisions of the legislation before us, affecting as they do in such a sweeping and arbitrary fashion the rights and freedoms of Canadians, are really necessary.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, this piece of proposed legislation has a long history, as detailed by previous speakers. Originally it was introduced as Bill C-256. The minister of the day, who is now Minister of National Revenue (Mr. Basford), ran into heavy opposition from the business community and the bill never got off the ground. Then, after the election in 1972 and a change of ministers, we saw another approach to combines legislation under a new minister. We examined the legislation, then Bill C-227. That became, eventually, Bill C-7, and now we call it Bill C-2. Really, the only thing that has changed is the number on the face of the bill.

[Mr. Balfour.]

• (2130)

First we had the Economic Council of Canada study in 1966, then the clean sweep approach with Bill C-256, and its appropriate reintroduction in 1972. Next we had an election, and a new minister with the slightly different approach of breaking the proposed legislation into two or three pieces as in Bill C-227 and Bill C-7. That meant debate, hearings, committee meetings, and finally we had another election, another new minister, more press releases, more debates, more hearings and so and so forth.

I do not like to say this, Mr. Speaker, but I was not impressed with the minister in his previous portfolio. In view of his dismal performance as postmaster general I thought he would have taken a different approach to this bill, and either have tabled all the amendments he proposed, or have brought in an amended bill with the changes that arose from the previous meetings and briefs on this proposed legislation.

We have before us now for second reading Bill C-2 that is identical to Bills C-227 and C-7. And we have the minister's press statement that he has numerous amendments to present in committee. Why do we not have these before us now, Mr. Speaker? Why do we not have at least a list of the proposed amendments? The minister cannot say why he has not presented them. He certainly has had enough time and, with his vastly increased budget and staff, he should have the people and the resources to prepare an amended bill. His former cabinet colleague, the hon. member for Windsor West (Mr. Gray), left behind a mountain of testimony and comment.

I wonder why the minister has chosen to bring in the same bill. Knowing the difficulties of combines legislation I would have thought he would have previewed for the business community the broad outline of the total objectives of the proposed competition legislation.

We have phase I before us, and the minister discussed a little of phase II with the press but he says it is a long way off—some time in 1975. Then, of course, we have the anti-profiteering bill which, according to what I read in the press, will have a few changes but the same general thrust as before.

All these bills or phases will be amendments to the Combines Investigation Act. I think the business community has a right to know where they are heading and what ground rules they will have to work with in the future. It is time we all knew where we are heading. We found, for instance, that some provisions of Bill C-7 were in conflict with the anti-profiteering provisions presented in Bill C-29. Both bills were amendments to the anti-combines legislation. In fact, Bill C-29 amended Bill C-7 before it had passed second reading.

I notice the minister is quoted as saying he does not intend amendments to the Combines Investigation Act to become the instrument of the government to fight inflation, and he regrets it was ever identified as that. We could go through the record of the twenty-ninth parliament and see that dozens of times hon. members and ministers referred to the amendments to the Combines Investigation Act as part of the government's anti-inflation measures.

In fact the Prime Minister (Mr. Trudeau) made several references to this during the twenty-ninth parliament, stating that the proposed changes were part of his anti-inflation program. It is refreshing then for the minister to admit that he does not intend the anti-combines legislation to become the instrument of the government to fight inflation. I commend the minister for being frank.

The bill before us is a bit of a non entity in that it is a bill to amend the Combines Investigation Act. The minister has amendments to amend the amendments to the act. Will the amendments change the fundamental nature of the bill? I think we have a right to know, and that is why members on this side of the House have been asking the question. It is not good enough that we sit here and just wait for amendments in committee. We are concerned that the amendments may change the fundamental nature of the bill, and I think the business community should be informed of the full impact of the legislation.

We are concerned too about the imbalances in the bill, and there are several. We note the lack of appeal against the decisions of the restrictive trade practices commission through the provincial courts. We have concern that we will be giving to the commission the authority to regulate Canadian business under civil law, but with powers of criminal law to enforce those regulations with no right to appeal. We will want some pretty clear discussions and definitions when we get to committee stage.

Many concerns have been expressed over the "refusal to sell" provisions in the bill. The impact on existing distribution systems in Canada will be dramatic, to say the least, if the bill is passed without amendment. It is not an offence under the proposed bill to refuse to sell, but it is subject to review by the restrictive trade practices commission. This places a cloud over the heads of those people in the distribution chain. We will want to have very clear guidelines so that the business community may operate openly, without the question or threat of a government board or commission interfering in their commercial affairs, and the frustration of not having the right to appeal a decision of the commission to the courts.

Through this legislation the minister wants to blanket business with additional restrictions, but at the same time wants to exempt certain groups. Banks are generally exempted from the provisions in the amendments to the Combines Investigation Act. We ask why, Mr. Speaker? Why should they not be covered in the competition legislation? We do not accept the premise that they can be covered adequately by the Inspector General for Banks, who has neither the staff nor the time for that. We do not feel that through this device we should build another bureaucracy to control the banks when there is already that framework within the combines bill.

We notice that the labour unions are exempt from this provision. I realize it is probably not a political thing to say now, but in Hamilton we have a situation where a union has blackballed an entertainment establishment to the point that the proprietor cannot hire live entertainers. This is not the appropriate place to discuss the matter I know, but should both parties not be covered under the law so that they can resolve or settle the matter? On one side the union has caused economic loss by blackballing or delisting the proprietor, and on the other side the proprietor has obviously grieved the union local and the losers are the entertainers.

● (2140)

The new advertising provisions exempt the federal government itself and its agencies, many of which are in that business. Take, for example, the CNR. For several years the CNR has been transporting Canadians as passengers in baggage cars, yet they advertise on the Toronto to Windsor run "Go CNR and Arrive Happier". I submit that a person cannot sit on the floor of a baggage car and arrive happier, regardless of how short the trip might be. When I pursued this matter with the TH & B, which also transports passengers from Hamilton to Buffalo in baggage cars, I was told the railway companies only guarantee passage; they do not guarantee a seat. I say this is false advertising but as I read the bill before us the CNR, at least, would be exempt from action either under its provisions or under other existing legislation.

There are those in Canada who would question whether the advertising of Canada's savings bonds as "safe and secure" is entirely ethical when one considers the net loss in purchasing power of these bonds.

The same applies to the perpetual bonds which sell for 25 per cent of their face value and pay about 3 per cent interest on which bond holders pay tax. I question very seriously whether the government should advertise such bonds as "safe and secure". In my view, if we are to apply the advertising rule to the commercial world, we should apply it to government agencies as well.

I see, incidentally, the Olympic coins being marketed as belonging to a limited edition. The minister was on the committee which discussed this matter. He probably remembers the meeting—at which we sat until two o'clock in the morning before having a long, informal discussion outside the West Block with the then president of the treasury board, now the Minister of Public Works (Mr. Drury).

When the coinage bill was before parliament, hon. members on the government side did not want a limit placed on the number of coins that could be minted. They wanted the issue to be wide open. But now—and this is somewhat ironic—they market the coins as being from "a limited edition by act of parliament". Yet it was only because of an amendment put forward by the official opposition, and accepted by the minister, that a limit was fixed. Even so, I suggest that $450 million worth of coins is hardly what comes to mind as being a limited edition. I might add, though, that I bought some of these coins and helped to sell them to my friends. So I do my bit for the Olympics.

I do not take issue with the basic principle of the bill. We want companies to operate in a market that is as free and competitive as possible. We want the consumer to enjoy a good selection of products at competitive prices and in price ranges to suit his need. We do not want to see the consumer misled or duped, or see him the victim of pyramid sales, or tied sales, or referral sales, or of any of the questionable practices adopted by persons who operate on the borderline of business ethics and morality. This portion of the bill I support, and I am sure everyone in our party supports the consumer side of the legislation.

But we point out that the bill embodies certain questionable limitations. By seeking to exempt the government's departments, banks, labour unions and marketing boards from its provisions, the bill would eliminate a great many people engaged in commercial activities who are in a position to abuse the consumer and create an imbalance in the commercial endeavours of the business community.

If we pass laws like this, they should apply to everyone. I cannot suggest too strongly that the minister should produce a paper, be it any colour he wishes, white, green or yellow, setting forth in clear language the aims of his department as they pertain to business.

The businessman is already confused, to say the least, by the ever-increasing intrusion of government into business. He must comply with a tax act which he cannot interpret. He is affected by tariff regulations which are constantly changing. He is inundated by demands for reports from various government departments. He is being asked to produce more, to increase supplies, to work harder to improve productivity, to pay more taxes, to try to beat inflation, and to contribute more toward unemployment insurance premiums while he finds it difficult to hire adequate staff. And now he sees a restrictive trade practices commission looming on the horizon, a body which will be independent of the government, a body which will have the power to make its own regulations and from whose rulings there will be no appeal.

If the minister really wants to help the small businessman in Canada, and consumers as well, he might ponder means by which we can prevent United States commercial interests from making agreements with offshore manufacturers to supply not only the American market but the Canadian market as well.

Over the years I have talked to hundreds of young business people who found that the distribution of an important product which is sold in Canada was tied up by a United States business concern. In the final analysis, the consumer usually pays more because there is another profit step to be taken into account.

There is the famous—or should I call it the infamous—case of Mr. Harry Dunnett of Burlington, a small businessman who distributed musical instruments. This man started his business from scratch and did quite well. Unfortunately for him, after a few months one of his major offshore suppliers would not sell him any more of his products. He was at a loss to know why. He had sold all the supplies he could get from that particular producer and had paid for all his orders in advance.

Eventually, he found that a United States company, a large public corporation, had approached his supplier and told him they wanted Mr. Dunnett's supply cut off and their wholly owned Canadian subsidiary appointed as the exclusive Canadian distributor. The American company threatened to reduce its purchases from the offshore firm if it did not stop selling to Mr. Dunnett's Canadian company and conform to their wishes.

Thus we see a small Canadian company forced to the wall by an American company and its Canadian subsidiary, and there is no action which can be taken under any of our laws to protect this Canadian businessman. There is no protection offered either in the Combines Investigation Act or in Bill C-2 which we have before us.

Strange though it may appear, Mr. Dunnett finds he can take some action under the Sherman anti-trust laws in the United States and he is pursuing this course at the present time. I find it ironic, to say the least, that a Canadian businessman should have to resort to a United States law to protect his interests. I realize we cannot pass legislation in Canada which would take effect beyond our borders, but we have other very considerable powers which we could use to protect our businessman from acts such as have been experienced by Mr. Dunnett.

● (2150)

Government members often talk of giving this bill or that bill fast passage, yet at the same time the minister says that he wants to hear all the arguments, positions and ideas that may improve a bill. The fact that this bill has had several runs in this House is beside the point; it is a serious piece of legislation and deserves careful rather than hurried consideration.

We cannot experiment at this stage with the distribution system in this country as if it were an academic exercise. The cost of establishing a distribution system is considerable. The function of distribution, with its backup administration, is extremely sensitive. The establishment of a backup service organization, and the tools and merchandising required to make it part of the distribution system constitute another cost to the whole function of the marketplace.

Before we look into and beyond this matter of refusal to sell and the control and distribution of markets, we have to be sure that we completely understand the function of the after market distribution system in this country. I am sure hon. members know there are many places in Canada that will just not support too competitive a market. Take Newfoundland as an example. In many cases the market will only support one or two business concerns in this field of endeavour. Therefore, before we set in motion something that will offset that, we have to assess whether in the long run we are really servicing that market and doing the consumers there any service or justice at all.

That about concludes my remarks, Mr. Speaker. I am looking forward to seeing the bill go to committee. I know that in committee we will give it long and serious discussion. I hope the minister and the members of the steering committee will not endeavour to restrict debate in any way, or hinder us from bringing before the committee witnesses who wish to appear. There were many who would have liked to appear before the standing committee of the twenty-ninth parliament but were not able to do so. Therefore I hope the minister will be broad enough in his outlook toward the legislation to see that we are able to receive these various people and hear their stories. We must ensure that the legislation we finally frame and pass through the House will not work hardship or inequity, but will in fact serve the business community and consumer, to the benefit of both.

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

Mr. Sharp: Yes, Mr. Speaker. I wonder whether, with consent, the House would agree to call the ways and means motion appearing on the order paper in the name of my colleague the Minister of Energy, Mines and Resources (Mr. Macdonald) with respect to export of oil from Canada.

Mr. Deputy Speaker: Hon. members have heard the suggestion of the minister to go to order No. 2 on the order paper, and then return to Bill C-2 afterwards. This can only be done with unanimous consent. Is it agreed?

Some hon. Members: Agreed.

* * *

WAYS AND MEANS

CONCURRENCE IN MOTION CONCERNING EXPORT TAX ON OIL AND OIL PRODUCTS

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved:

That a Ways and Means motion laid upon the Table, Wednesday, October 2, 1974, with respect to export of oil from Canada be concurred in.

Motion agreed to.

* * *

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, POWERS OF INVESTIGATORS, OFFENCES

The House resumed consideration of the motion of Mr. Ouellet that Bill C-2, to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I am pleased to have the opportunity at this time to speak on this bill. There is no doubt that it is a slippery piece of legislation, being attempted by a slippery minister in a slippery portfolio. In fact, it might be termed "the last stop and out of the cabinet portfolio".

I was interested to hear some of the remarks of our friends to the left, who were waffling as they usually do on a contentious issue. Their spokesman said, as I recall it, that there should not be a combined marketing of goods, that this should not be allowed. There is no doubt in my mind that this would include marketing boards. They cannot have it both ways; they have to make a decision as to which way they want it, and then act accordingly.

Before embarking further upon my remarks, Mr. Speaker, may I have your permission to call it ten o'clock?

Mr. Deputy Speaker: Order, please. Are hon. members agreeable to calling it ten o'clock, as suggested by the hon. member for Red Deer?

Some hon. Members: Agreed.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—WORLD FOOD CONFERENCE IN ROME—CANADIAN POSITION ON A SECURE WORLD FOOD SYSTEM

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, a headline in the New York *Times* reads: "32 Nations Close to Starvation". Here are some of them: Bangladesh, India, Niger, Pakistan, Sudan, Upper Volta. All told, 700 million people live in these 32 countries. The countries are so poor and so short of food that crop failures and the high prices of grain, fertilizer and petroleum threaten them with bankruptcy, and their people with starvation.

The modern world has never faced a disaster of this magnitude. That is why the United Nations is sponsoring a world food conference in Rome. The conference opens two weeks from today. What role will Canada, a breadbasket of the world, play? No one knows.

I asked for a day's debate in parliament to focus attention on this global problem and on Canada's contribution to its solution. The government said no. Yesterday, the hon. member for Egmont (Mr. MacDonald) proposed a motion calling on Canada to take the lead in establishing a world commission with the power to transfer food and resources where needed. This is the kind of structural solution the crisis demands. Responding for the government, the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau) thought up all the reasons why this would not work, and then said that "a lot more aspects must be taken into consideration before we could be prepared to set up a concrete world food program."

In the name of God, Mr. Speaker, when will the government get off its fat, Canadian ass and recognize our responsibility to a starving world? How many more television pictures of emaciated children do we have to look at before the government will provide some leadership? How much longer will we enjoy the luxury of worrying about meat prices when millions cannot even get bread?

Two weeks ago representatives from non-governmental organizations from across Canada assembled in Ottawa for the Canadian conference on the world food crisis. I urged the delegates to formulate strong recommendations to the Canadian government that would force Canada to go beyond a mere philanthropic approach at the world food conference, because more dollars for food aid will not be enough. The conference passed a series of visionary and constructive recommendations that deal both with the immediate food emergency and the longer term structural causes of hunger and malnutrition.

● (2200)

I want to hear the government's response to the recommendations of the Canadian conference in a number of critical areas: first, guaranteeing that the developing countries themselves become as self-reliant as possible in food

production—this is the only long-term solution to the food crisis; and second, immediate action to increase food production in Canada to meet the present emergency.

I was encouraged by the recent statement by the Minister of Agriculture (Mr. Whelan) to the effect that Canada could increase food production by 50 per cent in five years as long as farmers have guarantees that they will not be penalized for producing surpluses. I agree with him that Canadian farmers must not be forced to bear the whole burden of making more concessional sales of wheat and other foods to developing countries. But let us not deceive ourselves. A program of increased production aimed at making more food available at less cost to developing countries while subsidizing Canadian farmers will be much more costly than traditional food aid programs that dealt with unplanned agricultural surpluses.

One means of financing such a program would be the special tax on industrial raw material exports suggested by the conference. Another means would be to have the international community take on more responsibility for financing world food aid. This goal could be achieved either through an expanded role for the world food program, or through a new World Food Authority that would be established by the Rome conference. It is only just that developed nations which are net food importers, and particularly the petroleum exporting countries, should pay their fair share to whatever international authority is designated as having chief responsibility for world food aid.

One particularly visionary resolution of the Canadian Conference on the World Food Crisis proposes that a form of international taxation, based on ability to pay as measured by per capita income, be instituted to finance a world food plan. Under such a plan, Canadian taxpayers would pay their fair share, but would not be expected to bear the whole burden of producing agricultural surpluses for concessional sale to developing nations.

Canada has already indicated support for the proposal put forward by the Dr. Boerma of the U.N. Food and Agricultural Organization for international coordination of national grain stockpiles. This is a welcome first step, but it hardly fulfills the need for a truly international food bank.

Since it appears that it will not be politically feasible to establish a large grain reserve under international control at the Rome conference, cannot Canada at least take leadership in calling for a smaller international stockpile of food for emergency purposes?

The World Food Conference secretariat's plan of action recommends that such an emergency stockpile contain 500,000 tons of food which, in my opinion, is surely a minimum. Such a food bank for emergency relief could be stored in the developing world where it is most needed; it could be administered under international control with the participation of the developing countries themselves; and, most important, it could function to remove the temptation for food exporting nations to use their food surpluses for political purposes.

Third, Mr. Speaker, the Canadian Conference on the World Food Crisis called for Canada to support the establishment of the new international economic order called for by the sixth special session of the United Nations General Assembly last April and May. At the World Population Conference in Bucharest, which I attended, the Canadian delegation avoided making any commitment to the establishment of the new international economic order, despite the insistence of the developing nations and of many expert observers that the implementation of a new economic order is an essential precondition for effective action toward reducing the rate of population growth. Will Canada take the same position at the World Food Conference where the issue of the world economic order is even more crucial?

The growing imbalance in the distribution of wealth that is generated by the present world economic order is at the heart of the food crisis. In fact, last week Dr. Neal Stoskopf of the University of Guelph pointed out that instead of helping the have-not nations, the affluent nations actually import protein from protein-deficient countries.

The statement on "Sharing Daily Bread" issued by the Canadian Catholic Conference of Bishops points out that this scandalous and absurd situation is made possible because the distribution of food is governed by effective demand in the market place and not by human need.

Therefore any real solution of the food crisis must include a redistribution of wealth which determines effective demand, and any long term solution must enable developing countries to achieve greater patterns of self-sufficiency in food. Both of these goals are only possible under a new economic order.

Yet I have seen no evidence that the present government is willing to allow a fundamental restructuring of the world's economic system, a re-ordering of the allocation of food and raw materials, and the reforms of the international trade, monetary and financial institutions called for by the United Nations. Let us listen to Paul Gerin-Lajoie, Director of CIDA, who calls for a new enlightened Canadian attitude towards "a new international order which will help to reduce the present imbalance among nations." If ever there was a moment for Canada to give leadership in providing justice to a suffering humanity, that moment is now.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Madam Speaker, after listening to the hon. member one is moved to paraphrase Cecil Rhodes: So much to say in so little time. I was impressed with the sincerity of the hon. member's remarks. Let me repeat, however, the assurance that Canada's position will not be restricted to emergency action, but will encompass and, indeed, put more emphasis on proposed structural changes in the world food system.

I should like to repeat the assurance that Canada's position will not be restricted to emergency action but will encompass, and indeed put great emphasis on proposed structural changes in the world food system. Several possibilities are now being studied. These include: diverting more Canadian aid into agricultural development in developing countries, provided developing countries are willing, where necessary, to reorder their priorities in favour of agricultural development; encouraging developed countries and other new holders of wealth to channel

increased amounts of aid into agricultural development in developing countries; and studying other long term options in the appropriate form, for example, liberalization of trade in agricultural goods.

Let me say that the government is studying several ways of enhancing world food security. One device may be an improved world food information system, which some have called an "early warning system" to alert the world to impending crises.

Another may be a voluntary stockholding or reserves system, provided means are found to insulate world trading arrangements from such reserves. Yet another may involve greater consultation among all countries, both food exporting and food importing on food matters.

I compliment the hon. member for raising this issue, particularly in view of the fact that this world conference will be held within the next few weeks, and I think it is time we all had a serious look at the problem.

EXTERNAL AFFAIRS—POSITION OF CANADA ON PARTICIPATION OF PALESTINIAN LIBERATION ORGANIZATION IN UNITED NATIONS DEBATE ON MIDDLE EAST

Mr. Bob Kaplan (York Centre): Mr. Speaker, following the admission of the Palestinian Liberation Organization to the United Nations by an overwhelming vote of 105 for admission, four against admission, and twenty abstentions, I find I need a new reason to believe in the United Nations.

I know the United Nations well. At the beginning of my political career I spent three months there as a delegate. I understand how it works. In view of this and some other decisions on the Middle East problems, I wonder what justification and grounds there are now for reasonable men and men of peace to support that organization.

The Palestinian Liberation Organization has credentials to speak at the United Nations. It is not a government; it is not recognized by all Arab states; it is not even recognized by all the Palestinians. But it has credentials and I wish to read some of them. I have 20 events to recite. I do not know whether or not they were committed by the Palestinian Liberation Organization but it claims credit for them all.

This organization claims credit for these 20 events: hijacking of a civilian airline in 1970, bomb outrages in Jerusalem, bombing incidents in Tel-Aviv, an attack on an Israeli airplane in Athens, an attack on an Israeli airliner in Zurich, and diversion of a United States plane enroute to Israel. I do not wish to take the time of the House to go through the whole list. It is available. These things are documented. They are all things for which this organization claims credit, this organization which now heads for the United Nations with recognized status to speak. Let me refer to one item, number 18 on my list:

Arab terrorists' massacre of Israeli children at Maalot.

I have a newspaper clipping here from the Associated Press and Reuters about that incident. It states:

A Palestinian guerrilla leader said yesterday that the guerrilla attack on the town was "heroic" and warned that similar operations would be launched in the future.

Later the article continues:

We promise the Palestinian people to undertake more such operations as they express a real sacrifice and represent the start of a new stage in the development of commando operations both in size and level.

Look who is coming to dinner; look who is coming to the United Nations. It is a terrorist gang whose objective is not only to establish a homeland for their own people but the total obliteration of the state of Israel. This is their stated objective.

● (2210)

There is nothing inevitable about the survival of state of Israel. That state can go at any time. We should remember that in this House. Canada is one of its friends, one of its best friends. We are committed to its survival. What I should like to say, now that this decision has been taken, not with Canada's approval but by an overwhelming majority of the members of the United Nations without Canada, is that Canada must make every effort to get the Palestinian Liberation Organization to clean up its acts, to denounce acts of terrorism, and to find a new way to put its case forward.

Above all, the PLO must grow to accept the right of the state of Israel to exist, and everything that goes with that right. If it cannot do that, if the PLO maintains its terrorist outlook, Israel may survive anyway. One thing that is obvious is that the survival of Israel does not depend on the United Nations.

But what about the United Nations? Its survival is not inevitable either, and I submit that the kind of decision that the UN took in admitting the PLO raises questions about whether that organization will survive.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Madam Speaker, the position of the government on this issue remains as outlined by the minister in reply to the hon. member on October 18. I note in his question the hon. member recognized that the decision taken by the UN was not with Canada's approval because at that time Canada abstained from the voting. I think his challenge is probably to the position that has been taken by the majority of UN members in that vote. Since the time of that vote, the Secretary of State for External Affairs (Mr. MacEachen) has had the opportunity to discuss this issue fully with the ambassador of Israel and the ambassadors of Arab countries resident in Ottawa, and they have expressed their full understanding of Canada's position.

The hon. member has indicated that surely the PLO should be able to find, rather than the violence which we have seen, a new way to put their case forward. It seems to me that perhaps this is a better way.

HOUSING—SUGGESTED INCREASE IN FUNDS FOR ASSISTED HOME OWNERSHIP PROGRAM—AVERAGE EFFECTIVE RATE OF INTEREST ON MORTGAGES—POSSIBLE SHIFT IN POLICY

Mr. David Orlikow (Winnipeg North): Madam Speaker, the question which I asked the Minister of State for Urban Affairs (Mr. Danson) on October 15 had to do with whether the government proposed to increase the amount of funds made available through programs such as the

Assisted Home Ownership Program and other programs, which would go some way at least to meeting the needs of the people in low and middle income brackets for housing which they are at present virtually unable to find at a price which they can afford to pay.

The number of housing starts this year is down substantially from what it was last year when there were 268,000 housing starts. This year there has been a drop of 25 per cent, and it has now been calculated that, unless there is a further deterioration in housing starts, we will build just over 200,000 units a year.

When I asked the question the other day, the minister replied by saying that the government had more than met the proposals made by the Economic Council of Canada some years ago that we build about 200,000 units a year. What the Economic Council said at that time was that we needed a minimum of 200,000 a year. It also argued that housing should not be used as a tool for manipulation, and yet that is precisely what has happened.

This year we are building fewer houses than we did last year, not because the people of Canada need fewer houses but because interest rates have gone well over 11 per cent and most people, including those in the middle income bracket, cannot afford to buy homes.

The minister said the fact that AHOP money has been used up is proof of the success of the program and that the need has been met. Madam Speaker, nothing could be further from the truth. From the beginning the money made available under AHOP was far less than the amount needed. The government, through Central Mortgage and Housing, cannot in this minuscule way meet the housing needs of the people of Canada.

Home ownership is not the answer for a substantial proportion of our people. The greatest need is in the area of housing accommodation for rent. This would be true even if sufficient money were made available under AHOP. As I say, we need a substantial increase in the stock of houses for rent, of which we build too few. We need subsidies for families who cannot afford to pay the market price of housing they must rent or own. In the 1940s all the Scandinavian countries realized this fact and adopted housing programs under which they provided houses for people who did not earn enough to buy their own.

In Canada we have done just the reverse. We have built houses, not because the Canadian people needed them, but because building them was necessary to overcome unemployment. Of course, with our present high interest rates, people cannot afford houses. Nevertheless, when unemployment is high, the government pumps money into the housing field. When unemployment is low, we turn the tap off and stop money for housing.

If there is to be a stable vacancy rate and a stable housing program, we shall need a stable housing policy. I suggest that we need a government policy which will meet the housing needs of the people of Canada, and I include both those who buy and rent accommodation. We need houses that will meet the needs of the people of Canada; they should not be built merely to meet the goals of the government, that is, to reduce unemployment which may arise in the winter of 1974-75, the summer of 1975 or the winter of 1975-76. Unemployment is one thing; the housing requirements of the Canadian people are another.

In every city of Canada—Ottawa, Montreal, Toronto, Vancouver and Winnipeg—we see the core deteriorating from year to year. We see more and more people forced into poor, dilapidated housing which is a disgrace to a country which has the manpower, lumber, copper and all those things one needs to build decent housing.

We have made a start. We have begun to meet the needs of senior citizens for adequate housing. I call on the minister to develop a program which will meet the housing needs of all people in Canada, regardless of income, and provide us with the sort of housing to which this affluent country is entitled.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Minister of State for Urban Affairs): Madam Speaker, all Canadians can be proud of the fact that year in year out we have managed to build housing at a rythm that has surpassed that of the establishment of new families and immigration. During this period, we have markedly reduced overcrowding and improved housing for a good number of Canadians across the country.

This is greatly due to the Canadian building industry which magnificently met the programs elaborated by the federal government such as, for example, the Assisted Home-Ownership Program.

During the last six years, one of the main concerns of the federal government was to divide housing in a way that would allow low income families to share improved housing conditions with better off Canadians. The government therefore tried to reserve amounts at its disposal to provide first of all for housing for low or middle income families.

We have supported the provinces by granting loans and contributions for social housing. We have supported non-profit groups who were building housing as well as non-profit co-operative groups through starting-off funds, 100 per cent financing and 10 per cent contribution of investments to help produce housing for low income people. I have already mentioned the remarkable success of the Assisted Home-Ownership Program in which the government invested some $450 million since the beginning of this year.

● (2220)

[*English*]

It is this unique Canadian approach of partnership between the private sector and the public sector that has enabled us in recent years to attain such a high level of housing production. A target of one million houses over a five-year period was set by the Economic Council of Canada. The government made a commitment to reaching this goal back in 1969. We have surpassed this target, and I think it is to the credit of the housebuilding industry, and all governments concerned, that a total of 1,152,600 units have been produced in the five years.

We hope to continue to improve our programs in 1975. While there has been a drop in starts in recent months due to a variety of reasons including, for example, high mortgage interest rates and increases in the cost of labour and

materials, not to mention the cost of land, I am confident that the declining trend can be halted in 1975.

My minister does not propose at this time to set any precise figure for starts in 1975, but I can assure the House that the government has given careful consideration to the housing situation in Canada. We have carefully studied the prospects for next year, and we will take appropriate action to ensure a continuation in the general improvement of housing conditions for all Canadians.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, October 23, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

ARRANGEMENTS FOR CONSIDERATION OF SUPPLY

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, after discussions among the parties, a basic agreement has been reached as to the manner in which we should proceed, today, tomorrow and Friday with the business of supply.

As the House is aware, the main estimates have been discussed in the last parliament and in this parliament in standing committees, and there is a special order dealing with the remainder of the business and how to dispose of it by Friday afternoon. When orders of the day are called I understand there is agreement to dispose of the motion for concurrence in main estimates and of the motion for concurrence in supplementary estimates (A) without debate. The motion for first reading of the consequent appropriation bill is, of course, not debatable. I understand there is also agreement to dispose of the motion for second reading of the bill without debate. The House will then go into Committee of the Whole on the bill. I understand that there is agreement that all the clauses of the bill be stood and that the committee proceed directly to schedule A of the bill, which refers to the main estimates.

So that consideration of schedule A, that is, the main estimates, may be undertaken in an orderly fashion, it is my understanding that there is agreement that discussion should be organized in the following manner: First, for about an hour to an hour and one half, discussion would be on the estimates of the President of the Treasury Board (Mr. Chrétien) and can, thereby, cover a broad range of matters relating to financial and personnel management of the government. Second, for about two and one half to three hours, discussion would be on the estimates of the Minister of Transport (Mr. Marchand). Third, for about two and one half to three hours, discussion would be on the estimates of the Minister of State for Urban Affairs (Mr. Danson). Fourth, for about two and one half to three hours, discussion would be on the estimates of the Minister of National Defence (Mr. Richardson). Fifth, for about two and one half to three hours, discussion would be on the estimates of the Minister of Indian Affairs and Northern Development (Mr. Buchanan). Sixth, for about two and one half to three hours, discussion would be on the estimates of the Minister of Public Works (Mr. Drury).

● (1410)

I should explain that these departments were selected by the opposition parties as those on which they wished to concentrate their discussion. If there is still time remaining before the time on Friday when all outstanding questions must be put, discussion could cover other aspects of the bill, whether in committee of the whole or on third reading stage.

There is an understanding as well with respect to debate that, in order to give all members an opportunity of discussing these departments, each member should be restricted to one 20 minute speech in the committee on each department, but that this restriction would not apply in cases of direct questioning and answering. Nor would a minister be prevented from rebutting points made during the discussion.

It would be possible to make an order with regard to the plan that I have just outlined, but such an order might impose too much rigidity on the debate and I do not believe it will be necessary. If there is difficulty, the committee could rise, report progress and the House could then deal with the necessary order.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, the government House leader has generally outlined the results of the discussions that we have had and the agreements at which we have attempted to arrive. For the reasons I assigned earlier when we first had these discussions, namely that the government had put itself into a very serious predicament, the reasons for which I am too polite to go into now, regarding passage of the estimates, our concern for the recipients of government cheques—pensioners, salaried individuals and so on—persuaded us to forgo the rights we would usually have and go along with this arrangement, and we are continuing to do so.

I want to congratulate the government House leader on persuading his reluctant colleagues to appear in the House to answer questions that will be put to them, and I hope they will be a lot more candid in this procedure than they are normally at question period.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to confirm the statement that has been made by the President of the Privy Council (Mr. Sharp) with respect to the arrangement that has been made for debate during the next three days. If it sounded to anyone by the first remarks of the government House leader as if we were passing over a number of stages without debate, then that is only so that when we get to the actual items in the schedule to the bill we can have all the time that three days will make possible.

It is also understood that this is a program to be followed generally rather than with rigidity. It does work out in such a manner that we would be dealing with two

departments today, two tomorrow and two on Friday. Of course, if we conclude some of the departments earlier than we thought might be the case, that would leave more time at the end.

This is, of course, a new experience for some members to be dealing with estimates in the House, or in committee of the whole.

Mr. Baldwin: And for some ministers.

Mr. Knowles (Winnipeg North Centre): Yes, as the hon. member for Peace River (Mr. Baldwin) said, a new experience for some ministers. We hope it will be a fruitful three days, not only for what we do during these three days but as an experiment in dealing with estimates on the floor of the House.

The only other comment I wish to make while I am on my feet is an unusual one in that I should like to correct something that was said by the hon. member for Peace River. I heard him say it just now and he also said it on the radio this morning. I think it should be clear that pensions are not covered in the estimates. Pensions are provided by statute and are payable whether or not estimates pass. Certain salaries and such things are covered in the estimates of government expenses generally. But let us not alarm our pensioners with the thought that there is going to be any delay in their getting the meagre pensions that they now receive.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I too would like to confirm, on behalf of my colleagues of the Social Credit party, that we took an active part in working out a new formula for the business of the House, and especially the study of credits and the main budget that they may be studied in an orderly and planned fashion. We feel that this proposal which was agreed to unanimously should not be rigid and change the practice in years past where we diddled around without really getting to the bottom of the problems.

Mr. Speaker, according to this agreement, it is also understood, which I believe the hon. members for Peace River (Mr. Baldwin) and Winnipeg North Centre (Mr. Knowles) forgot to mention, that on third reading, any hon. member will be allowed to speak freely on any part of the credits.

Mr. Speaker, I would like to take this opportunity to speak to the President of the Privy Council (Mr. Sharp), in view of the answer given by the right hon. Prime Minister (Mr. Trudeau) that with the cooperation of the opposition members it would be possible to hasten the introduction of a bill lowering old age security eligibility to 60. This agreement for the debate on estimates and the unanimous cooperation the government gets from this side of the House show that there is no need to wait till October 1975 to study the old age security legislation. We realize we could study as rapidly this bill that would be most welcome by 60 year old Canadians.

Mr. Speaker, I have the growing impression that those who cooperate most in this House are members sitting on this side.

[Mr. Knowles (Winnipeg North Centre).]

[*English*]

PRAIRIE FARM ASSISTANCE ACT

MEASURE TO REPEAL ACT

Hon. Otto E. Lang (for the Minister of Agriculture) moved for leave to introduce Bill C-30, to repeal the Prairie Farm Assistance Act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

ALLOCATION OF LIP FUNDS TO CONSTITUENCIES REPRESENTED BY MEMBERS OF HOUSE OF COMMONS, 1973-74

Question No. 21—**Mr. Cossitt:**

What was the total amount of LIP funds allocated in 1973-74 to constituencies represented in the House of Commons by (a) Members of the Liberal Party (b) Members of the Progressive Conservative Party?

Hon. Robert K. Andras (Minister of Manpower and Immigration): (a) Constituencies represented by members of the Liberal Party, $37,181,000; (b) Constituencies represented by members of the Progressive Conservative Party, $22,665,000.

● (0000)

NEIGHBOURHOOD IMPROVEMENT PROGRAM (NIP)

Question No. 75—**Mr. Lambert (Bellechasse):**

Since the amendment to the National Housing Act in June, 1973 (a) what provinces have signed an agreement with the government under the terms of the amendment (b) how many projects have been effected or are underway (i) in which province (ii) what is the nature of each such project (iii) what is the value of each such project?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: (a) The Neighbourhood Improvement Program is the only one included in the 1973 amendments of the National Housing Act which requires a formal agreement with the provinces. Under this program, agreements have now been signed with all provinces, except the Province of Nova Scotia. (b) NIP is a flexible program to upgrade neighbourhood environments and it may include selecting neighbourhoods and formulating redevelopment plans; acquiring and clearing land to provide open space or community facilities; acquiring and clearing land for low and medium income housing; constructing or acquiring and improving neighbourhood recreation or social facilities; developing occupancy and building maintenance standards; making loans for commercial improvements; relocating those individuals dispossessed of housing through NIP and of the exposition of the project and improving municipal services and public utilities. The selection of any of these steps is left to the

community and the municipality, within budgetary restraints, and federal involvement is confined to ensuring that the criteria for the program are respected. To date, no project has yet been completed; five projects have reached the implementation stage. These are:

Province	Federal Contributions $000
Corner Brook, Newfoundland	639
Sudbury, Ontario	337
Calgary, Alberta	1,031
Edmonton, Alberta	1,031
Rossland, British Columbia	125

There are also 31 other projects (neighbourhoods) that have reached the planning stages; these are:

Province	Number of Neighbourhoods Selected	Federal Contributions $000
Ontario		
Ottawa	3	1,290
Grimsby	1	258
Niagara Falls	2	645
Sudbury	1	953
Kingston	1	645
Lindsay	1	344
Sarnia	1	645
Twp. of Sarnia	1	430
Ridgetown	1	258
Windsor	1	860
Borough of Etobicoke	1	860
Sault Ste. Marie	1	860
Twp. of East Gwillimbury	2	430
Manitoba		
Winnipeg	2	2,750
Saskatchewan		
Hudson Bay	1	100
Meadow Lake	1	112
British Columbia		
Vancouver	2	1,500
Powell River	1	125
New Westminster	2	625
Victoria	2	1,000
Coquitlam	1	250
Prince Rupert	2	250

PORT OF MONTREAL

Question No. 80—Mr. Fortin:

1. Is the government taking any steps to keep the Port of Montreal open year round and (a) if so, what are they (b) if not, for what reason?

2. Does the government intend to use containers in the Port of Montreal and, if not, for what reason?

3. Does the government intend to charge tolls on the St. Lawrence River and, if so, for what reason?

Hon. Jean Marchand (Minister of Transport): 1. The government is taking steps to keep the Port of Montreal open year round. Canadian Coast Guard Icebreakers maintain a navigable channel in the St. Lawrence River from the Gulf to Montreal during winter months.

2. During 1973 a record total of 116,405 containers were handled at the Port of Montreal. The number has been increasing each year since 1967.

3. Tolls are only payable for the use of the St. Lawrence Seaway which extends from the St. Lambert Lock at Montreal to the most western lock at Sault Ste. Marie on the Great Lakes.

DVA HOSPITALS AND HOMES—WAITING LIST FOR DOMICILIARY CARE

Question No. 209—Mr. Herbert:

1. How many veterans are presently on a waiting list for domiciliary care in hospitals and veterans homes?

2. How many have been on this list for (a) more than three months (b) more than six months?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. 268.

2. (a) 26; (b) 161.

PROSECUTION OF IRVING INTERESTS—LEGAL FEES

Question No. 222—Mr. Howie:

What is the total amount of money paid to date in respect of the prosecution of the Irving interests under the Combines Investigation Act?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Cost of New Brunswick Newspaper Prosecution[1]:

William L. Hoyt, Q.C. Hoyt, Mockler, Allen, Dixon & Godin Fredericton, New Brunswick (Crown Counsel)	Legal fees	$101,786
	Disbursement	27,252
T. Joseph Scanlon, Dean of the School of Journalism, Carleton University, Ottawa, Ontario (Special Assistant to Crown Counsel—Consultant)	Fees	9,100
	Disbursements	3,367
Winnifred Johnston Saint John, New Brunswick (Witness)		630
		$142,135

[1] Does not include travelling expenses and time of Department of Justice personnel and of officers on the staff of the Director of Investigation and Research.

● (0000)

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS PERSONNEL

Question No. 232—Mr. Reynolds:

How many people were directly involved with the Department of Consumer and Corporate Affairs in 1960 and every year up to and including 1974 to date?

Order Paper Questions

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): The Department of Consumer and Corporate Affairs was not formed until 1968. The number of people employed since that time is: 1968—846; 1969—1493; 1970—1517; 1971—1624; 1972—1807; 1973—2034; 1974—2236.

NUMBER OF DVA EMPLOYEES WHOSE MOTHER TONGUE IS ENGLISH OR FRENCH

Question No. 252—Mr. Herbert:

1. On March 31, 1974, how many public servants in the Department of Veterans Affairs listed their mother tongue as (a) English (b) French (c) other?

2. How many listing (a) English (b) French as their mother tongue are considered by the Department to be bilingual?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. (a) 5,849; (b) 1,970; (c) 720.

2. This information is not available to the Department and an extensive and costly study would be required to provide a complete answer to this question.

TWO-PRICE WHEAT PAYMENTS

Question No. 448—Mr. Neil:

1. On what date was the two-price wheat payment authorized to be made to 1972-73 special permit holders?

2. On what date were these cheques mailed?

3. What was the total number of cheques issued?

4. How many cheques were issued for the incorrect amount which resulted in the recipient being called upon to make a refund to the Canadian Wheat Board?

Hon. Otto E. Lang (Minister of Justice): 1. May 23, 1974.

2. June 3, 1974.

3. 9,586.

4. 7,529. Refund is to the federal government—not the Canadian Wheat Board.

● (0000)

CANADIAN WHEAT BOARD—WEST COAST DEMURRAGE CHARGES

Question No. 449—Mr. Neil:

From August 1 to the date this question is answered (a) what has been the total amount paid by the Canadian Wheat Board for demurrage on grain ships delayed at the West Coast because of slowdown and/or the grainhandlers strike (b) what amounts have been paid by the Canadian Wheat Board under penalty clauses in contracts for delivery of grain as a result of the grainhandlers strike on the West Coat (c) has the Canadian Wheat Board purchased any grain from other exporting countries and arranged delivery from that other exporting country to fulfill contract commitments which the Canadian Wheat Board was unable to fulfill because of the strike?

Hon. Otto E. Lang (Minister of Justice): (a) $1,484,-226.12; (b) Nil; (c) No. Payments in (a) resulted from earlier shipping delays, not from recent strike or slowdown.

[Mr. Reynolds.]

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 1 and 4 are acceptable to the government.

ELECTION EXPENSES SUBMITTED BY CANDIDATES—1974

Motion No. 1—Mr. Knowles (Winnipeg North Centre):

That an Order of the House do issue for a return showing, by electoral districts, the total amount of election expenses on behalf of each candidate in the General Election of July 8, 1974, as indicated in the return respecting election expenses submitted on behalf of each candidate, as required under the provisions of Section 63 of the Canada Elections Act; and showing also, by electoral districts, the names of all candidates on whose behalf election expense returns have not been submitted.

Motion agreed to.

COPIES OF STUDIES ALLOWING DEPARTMENT OF MANPOWER AND IMMIGRATION TO ALLOCATE LIP PROJECTS

Motion No. 4—Mr. Orlikow:

That an Order of the House do issue for the production of papers showing the studies prepared by departments or agencies which permitted the Department of Manpower and Immigration to make the allocations for LIP projects among the various constituencies.

Motion agreed to.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 6 and 7 are acceptable to the government subject to the agreement of the veterans' organizations to tabling of correspondence by them.

I would ask that the other notices of motions be allowed to stand.

COPIES OF ALL CORRESPONDENCE DEALING WITH REPORT OF STUDY COMMITTEE—1972-1973 AND 1974

Motion No. 6—Mr. Marshall:

That an Order of the House do issue for copies of all correspondence, telegrams and minutes of meetings between the Minister of Veterans Affairs and the National Veterans Organizations having to do with the report of the Study Committee on the basic rate of pension, during the years 1972, 1973 and 1974.

Motion agreed to.

COPIES OF ALL CORRESPONDENCE BETWEEN GOVERNMENT AND NATIONAL VETERANS ASSOCIATIONS RELATING TO EXTENSION OF VETERANS LAND ACT

Motion No. 7—Mr. Marshall:

That an Order of the House do issue for a copy of all correspondence, telegrams and minutes of meetings between the government and the National Veterans Organizations have to do with the extension of the Veterans' Land Act during the years 1968 to September 1974.

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

FOREIGN INVESTMENT

ALLEGATION GOVERNMENT WOULD FAVOUR BRITISH OR EUROPEAN TAKEOVERS RATHER THAN UNITED STATES—CONFLICTING STATEMENTS BY MINISTERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Acting Prime Minister whether the Minister for Regional Economic Expansion was expressing government policy in London on Monday when he said that the government likely would favour British or European takeover bids as compared to those made by United States firms attempting to invest in Canada? Is that a statement of government policy?

● (1420)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have not seen the text of what the minister said in London. I can assure the Leader of the Opposition that the government policy is non-discriminatory. We are desirous of diversifying foreign investment in Canada insofar as it is necessary but there is no classification of investors as to whether one is more acceptable than another.

Mr. Stanfield: I have a supplementary question, Mr. Speaker. I assume from what the Acting Prime Minister says that there is no intention to amend the takeover legislation so that it would serve the purpose the minister had in mind. But I should like to ask the Acting Prime Minister whether it is the policy of the government to have one minister stating one position and another minister stating another position. Is it now standard practice for this government to adopt the tactics of the Minister of Agriculture and the Minister of Consumer and Corporate Affairs and are we to see this extended now to the Minister of Regional Economic Expansion and to the Minister of Industry, Trade and Commerce.

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

* * *

ENERGY

SUGGESTED REDUCTION IN COMPENSATION PAYMENTS ON IMPORTED OIL IN VIEW OF EXCESSIVE PROFITS OF COMPANIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Following the revelation that the profits of the Esso Corporation were up 64 per cent in the first nine months of this year, going from $154 million to $252 million over the comparable period last year and assuming that the figures for the other companies when they come out in the next few days will follow the same pattern, is the government considering reducing the amount of the payment made to the oil companies for petroleum brought in on the east coast under the fund set up by the government.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The view of the government in respect of the effective administration of the compensation program is that it should be paid equally to whatever importer, refiner or other company on an equal basis, but that it would be up to fiscal policy to determine what if any rate of income tax any particular company would have to bear. In that regard I would have to defer to my colleague, the Minister of Finance.

* * *

INCOME TAX

SUGGESTED LEVYING OF INTEREST ON DEFERRED TAXES OWED BY ESSO CORPORATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I, too, will defer to the Minister of Finance and ask that minister if he would care to comment upon the question I put to his colleague. Given the fact that the deferred taxes of the Esso Corporation belong to the people of Canada and represent an amount in excess of $226 million, will the minister consider levying at least an interest charge on those funds owed to the people of Canada say at the level we now pay for long-term bonds?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have some difficulty in meeting that question coming from the hon. member for Oshawa-Whitby because I proposed in the last Parliament an amount of $410 million in tax against the oil companies and that budget was defeated by that party.

Mr. Speaker: The hon. member for Oshawa-Whitby on a final supplementary.

Mr. Broadbent: Mr. Speaker, the minister well knows there were many other parts to that budget which many people found objectionable. Regardless of what was in that budget last year, does the government or does it not intend to take specific action in terms of tax policy toward the oil companies who are making what any reasonable person would describe as exorbitant profits.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the government's position will be known on the night of the first budget in this Parliament.

* * *

FINANCE

GOVERNMENT POSITION ON FORMULA FOR SHARING REVENUE FROM RESOURCE TAXATION—FURTHER CONSULTATIONS WITH PROVINCES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary is directed to the Minister of Finance because I want to give him an opportunity to contradict a press report to the effect that he failed miserably in his recent journey out west. Would the minister indicate whether he expects to reach any agreement with certain western provinces in respect of the general ques-

tion of resource industries and in particular a sharing formula in respect of petroleum revenues in this country.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I told the House earlier that the purpose of the visits to the various provinces, not only the four western provinces but also discussions I have had with the provincial treasurer of Ontario, the minister of finance of Quebec and, in a few days with the four Atlantic provinces, was not negotiation, because each level of government has to determine, on its own responsibility to its own legislature, or mine to parliament, the budgetary policy of the jurisdiction it represents. So the visits were in the realm of discussion, and I tried to reveal to the provinces the reasons for my budgetary proposals on May 6 to indicate to them that I felt that the federal parliament and the people of Canada were not receiving a fair share of resource revenues as a result of unilateral provincial action.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I also indicated to them that the share between the federal and provincial jurisdictions should be governed in such a fashion that the resource industries in the country have a fair return and a sufficient incentive in cash flow for exploration and development.

Mr. Lawrence: I am sure that the minister appreciates the fact that there is some area of doubt across the country in respect of this so-called divided jurisdiction at present. Are we then to assume there are no further negotiations between the minister and this government or any provincial government in relation to sharing resource taxation in this country?

Mr. Turner (Ottawa-Carleton): I am open to further discussions with any of the provinces at the ministerial level and the Prime Minister of Canada has invited all first ministers to a meeting here to discuss the economic situation, including resource taxation, on October 30.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

REASON FOR DELAY IN GRANTING PAROLES AND PARDONS—REQUEST FOR MORE RAPID PROCESSING

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the Solicitor General.

It is a relatively frequent occurrence that members recommend paroles be granted by the board. Since the board's answers come a number of days and sometimes weeks later, could the minister apply some pressure in order that we get faster answers? In a similar way, when a pardon is requested after 5 years' parole or 5 years of clean record, we are informed that the issuance of a decision may take up to 3 years, which accounts for a total of 8 years. Could the minister approach the board so that pardons are granted, not because of requests by members of parliament, but because the individual concerned paid his debt and wants to resume his normal place in society.

[Mr. Lawrence.]

[*English*]

Hon. Warren Allmand (Solicitor General): As the House knows, the National Parole Board is an independent board and makes a decision on each case after examining all documents and evidence. From time to time members of parliament or others make recommendations or comments, and these are taken into consideration with all other evidence. But I would not want to put undue pressure on the board. On the other hand, I will bring the comments of the hon. member to the chairman of the board and the members.

* * *

FINANCE

REFERENCE IN "GLOBE AND MAIL" TO MAINTENANCE OF TAX ON OIL ROYALTIES—MINISTER'S POSITION

Mr. Eldon M. Woolliams (Calgary North): I should like to put a question to the Minister in the light of his answers today to the hon. member for Northumberland-Durham. I put the same question basically yesterday and now, to review it briefly, may I ask the Minister of Finance whether he was making any change in reference—

Some hon. Members: Question.

Mr. Woolliams: I am putting the question if you will listen, but if you are going to talk, you will make it more difficult and I will take longer.

Some hon. Members: Oh, oh!

Mr. Woolliams: I asked the minister yesterday whether he was going to continue to put a tax on the provincial royalties. Now I put this question to the minister. Did he discuss with Thomas Kennedy of the *Globe and Mail* or any other newspaperman whether the budget package which was brought down last May would remain intact as far as that is concerned. Yesterday the minister said we would have to wait until budget night to ascertain that but this article would suggest he has already told the press what he is going to do.

● (1430)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the only people of the press I met were Mr. Kennedy and all the other reporters who were present at a joint interview I had after my discussions with Mr. Donald Getty, Minister of Federal and Intergovernmental Affairs in the province of Alberta, and Mr. Gordon Miniely the provincial Treasurer of Finance. It was a joint press conference and at no time did I express myself in those terms.

Mr. Woolliams: Mr. Speaker, this is so important I think I should put this question to the minister very succinctly. Did he make a statement to Mr. Kennedy to the effect that the budget package of May would remain intact, meaning that the tax affecting the oil industry would remain as of May 8? I think we are entitled to an answer because of the job the Minister of Finance is doing.

Mr. Speaker: Order, please. I am under the distinct impression that the minister answered that question in the negative just a moment ago. The hon. member for Esquimalt-Saanich.

Mr. Woolliams: Mr. Speaker, I rise on a question of privilege. I appreciate that the Speaker takes into consideration sometimes these people who do not get an opportunity to express themselves. My point of privilege is that Thomas Kennedy said in this article in the *Globe and Mail* this morning, referring to the minister:

He left Edmonton, visibly tense and exasperated, to put the finishing touches to a new budget, hinting strongly that all the controversial tax provisions contained in last May's version of the federal fiscal package remain intact for a possible reintroduction early in November.

Mr. Speaker, there are two reasons for raising this question. First of all, if that statement was made it was a definite leak to the press by the Minister of Finance. Second, if the statement was not made, then I think the minister should say without equivocation that he never discussed that phase at all with the press. It is either a leak or it is not a leak.

Mr. Speaker: Order, please. The reason I made the remark I did was that it was my understanding that the question posed to the minister was whether he had made the reported statement. The minister just finished saying, if I understood him correctly, that the news conference was a joint conference at which he did not make such a statement.

Mr. Woolliams: I do not care if it was joint or single.

Mr. Speaker: I do not propose to recognize as supplementary questions at any time a request that a minister simply repeat an answer that he has already given. That is the situation. The hon. member for Esquimalt-Saanich.

* * *

ENERGY

CONSULTATIONS WITH PROVINCES ON OFFSHORE RIGHTS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Would the minister tell the House what discussions are in progress with a view to resolving outstanding federal-provincial disputes relating to offshore rights and jurisdictions?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I expect to meet Mr. Crosbie the Newfoundland minister who has recently been given the responsibility for that province's interest in offshore oil and gas, within a week or ten days in Ottawa.

Mr. Munro (Esquimalt-Saanich): A supplementary, Mr. Speaker. That of course deals with only one of the provinces and I believe there are varying conversations going on with other provinces.

Mr. Macdonald (Rosedale): Mr. Speaker, I would remind the hon. member that the federal government and the four other provinces are substantially in accord on the kind of regime that should be applied to the east coast offshore. It was only Newfoundland that had failed to agree to the premise which had been found generally acceptable by the others.

Mr. Munro (Esquimalt-Saanich): May I suggest there is a province called British Columbia.

Mr. Speaker: The hon. member for Prince Albert.

Mr. Macdonald (Rosedale): A question of privilege, Mr. Speaker. May I remind the hon. gentleman that the Supreme Court of Canada has declared that British Columbia has no offshore jurisdiction?

An hon. Member: You have not talked to Premier Barrett.

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AGRICULTURE

GOVERNMENT POSITION ON ESTABLISHMENT OF WORLD FOOD BANK—PARTICIPATION BY OTHER COUNTRIES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to put a question to the Minister of Agriculture because of his wide knowledge of the food situation in this country. In view of the need for food to be distributed in various countries of the world now attacked by the scourge of starvation can the minister tell the House if action is being taken to establish a food bank along the lines of one my government endeavoured to establish in 1962 so that food will be made available to areas in need?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, at the FAO conference in Rome last year I think I clearly stated the government's position. There have been discussions about this and I think I would be right in saying an emergency session is going on, trying to make sure that cereal grains and other commodities, especially powdered milk, are distributed in areas of real need. I agree with the right hon. gentleman that a world distribution system for food must be developed somehow but how quickly it will be done depends on what happens at the world meeting on food to be held in Rome between November 5 and 15.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. This food bank was to be a NATO venture. Canada made a large contribution and Norway joined but some of the other NATO countries refused to join. Are these other countries in NATO being consulted today and what is the attitude of the United States government to the establishment of a distribution system which, as the minister very properly says, is so absolutely necessary?

Mr. Whelan: Mr. Speaker, I think the reason this meeting is being held under the auspices of the United Nations in Rome is that all nations do not belong to the FAO but all the world powers will be participating in it. We feel that the leading nations must participate in this meeting to make it a success.

Oral Questions

HOUSING

ALLEGATION CENTRAL MORTGAGE AND HOUSING CORPORATION REQUIRES REPAYMENT OF GRANTS TO NON-PROFIT GROUPS

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, may I ask the Minister of State for Urban Affairs if he could clarify any misunderstanding that apparently exists between CMHC officials and certain Toronto non-profit housing groups with regard to federal grants given them by his predecessor?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I think the hon. gentleman is referring to a report that the CMHC is requiring repayment of funds advanced for start-up grants for special co-operative programs. I believe that is the case and I am studying the report. There has been no change in the policy whatsoever. If start-up grants are used for capital purposes such as the purchase of land, certainly it would be a part of the purchase rather than a start-up grant, but there has been absolutely no change in this regard. I am happy for the opportunity to clarify that.

CONSULTATIONS ON PROGRAMS FOR VETERANS HOUSING

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the same minister. I wonder if he would advise if any consultations are going on between his department and the Department of Veterans Affairs with a view to producing a housing program for veterans.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, there are always consultations going on between the Minister of Veterans Affairs and myself. In specific terms, we are always considering programs that can be of benefit to veterans within CMHC.

* * *

VETERANS AFFAIRS

POSSIBILITY OF NEW PROGRAM FOR VETERANS HOUSING

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, a supplementary question for the Minister of Veterans Affairs. Could the minister advise the House if, in line with the consultations taking place with his colleague the Minister of State for Urban Affairs and housing, a new program for veterans' housing is going to be announced in the near future?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I concur with the remarks of my hon. colleague on that question. Studies are being carried out and if there is going to be an announcement I will be glad to make it in the House.

[Mr. Whelan.]

EXTERNAL AFFAIRS

ALLEGED INTEREST OF UNITED STATES IN CANADIAN EQUIPMENT FOR CONTROLLING OIL SPILLS—REQUEST TO TABLE LIST OF EQUIPMENT

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is really for the Minister of the Environment but in her absence perhaps I might address it to the Secretary of State for External Affairs. Following the question period last Friday the minister appeared on television saying that the equipment we have for controlling oil spills is so good that the United States is interested in using the same kind. Then the minister went on to say that the equipment involves an oil skimmer as well as peat moss. I should like to ask the minister whether this is the equipment she says is so sophisticated that the government of the United States is interested in it?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will have to speak to her about that.

● (1440)

Mr. Friesen: Will the government now table the contingency plans as well as an inventory of the equipment they would use in the event of a major oil spill?

Mr. MacEachen: Mr. Speaker, I will give consideration to what can be tabled in this respect.

* * *

ROYAL CANADIAN MOUNTED POLICE

UNIFORMS FOR WOMEN MEMBERS OF THE FORCE

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Solicitor General. May I first commend the Solicitor General and through him the RCMP on their decision to recruit women as full members of the Royal Canadian Mounted Police.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): In view of recent reports and photographs indicating that the new uniform for women members will be either long dresses or short skirts—

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): I hope there will be equality of service for the women members of the force, considering the special responsibilities they may have for such matters as patrol in some quite cold climates, particularly around Parliament Hill, on occasion of pursuit or regular investigation. Such a uniform might be impractical in this day and age. I ask the minister in all seriousness whether this decision was made in consultation with the new members of the force or whether there was a special women's committee struck in order that there might be an appropriate uniform for women in the RCMP.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, in bringing women into the RCMP as full-time mem-

bers, an attempt was made to have their uniforms as close to the men's uniforms as possible. I think the uniforms the hon. member is referring to are the dress uniforms and not the work uniforms. Work uniforms have been approved for the women recruits which include slacks, coats and so on for heavy outdoor work. The uniforms which appeared in the press recently are the dress or the going out uniforms for ceremonial occasions. I can assure the hon. member the work uniforms include slacks and other heavy clothing. I also wish to say that in designing the uniform, we consulted with the women's group in the armed forces as well as consultants, Information Canada and other design groups.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): Mr. Speaker, I am delighted to have some clarification from the minister on this, although I must say that the photographs and newspaper story described the short skirt as the regular working uniform. As this information has been conveyed coast to coast and I would not want this to be a disincentive for other young women who may be interesed in enlisting in the RCMP—

Mr. Speaker: Order, please. The hon. member's sentiments about this matter may be very important, but I wonder whether it is appropriate to make these comments at this time when there are so many members who want to get on with the question period.

Mr. MacDonald (Egmont): Mr. Speaker, if I might just ask—

Mr. Speaker: Order, please.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—REASON FOR MORE FUNDS GOING TO LIBERAL THAN TO CONSERVATIVE CONSTITUENCIES

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. It arises from an answer given today to a question I placed on the order paper. It is to the effect that $37 million in LIP funds went to constituencies represented by Liberals and $22 million to constituencies represented by Conservatives last year. I wish to ask the minister why, when the number of seats in the last House were almost equal, Liberal constituencies received almost $15 million more than those of Conservative constituencies.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, it was based on the worthiness of applications by the sponsors in the various areas of Canada, coupled with the degree of unemployment and the formula which I enunciated in this House on several occasions.

Some hon. Members: Hear, hear!

Mr. Cossitt: Will the minister assure the House there were no political considerations involved?

Mr. Andras: Most certainly, Mr. Speaker.

* * *

[*Translation*]

PENITENTIARIES

ST. VINCENT DE PAUL—SUGGESTED INQUIRY INTO FURTHER ESCAPES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wanted earlier to put a supplementary to the Solicitor General. I am now asking it as a distinct question.

This morning five bandits escaped from St. Vincent de Paul for the fourth time, the same five, including Richard Blass, who got away—

An hon. Member: All Liberals!

Mr. Caouette (Témiscamingue): —I do not know if they are all Liberals, but Richard Blass is from the riding of Mercier in Montreal. This is what the hon. member has just told me.

Mr. Speaker, here is my question: Does the minister intend to order an inquiry at St.Vincent de Paul in order to find out exactly how those same five prisoners could escape four times? The necessary steps have not yet been taken to prevent a recurrence of such incidents. Is the minister in a position to tell us what action he intends to take in this regard?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, it is true that this morning five inmates escaped from the Laval temporary maximum penitentiary which is part of the old St. Vincent de Paul Penitentiary. Of these five escapees, at least three had made an escape from this or another penitentiary in the past. This escape was carried out after a woman visitor to the penitentiary smuggled in some weapons. The men escaped by forcing their way out with the weapons. This matter is presently under investigation by the Montreal and Quebec police. The Commissioner of Penitentiaries is on the site investigating as well.

* * *

BILINGUALISM

SUGGESTION GOVERNMENT ENCOURAGE PROVINCES TO DECLARE THEMSELVES UNILINGUAL IN VIEW OF QUEBEC'S BILL 22

Mr. Leonard C. Jones (Moncton): Mr. Speaker, in the absence of the Prime Minister, I will direct my question to the Acting Prime Minister. In view of the fact the Prime Minister has made it clear that his government intends no action to disallow or refer to the Supreme Court of Canada Quebec's Bill 22, is it the intention of the Prime Minister or the government to bring before this House a resolution encouraging the other provinces of Canada to bring forward language bills stating that they, too, can be officially unilingual?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I do not think the government would follow the suggestion of the hon. member.

* * *

EXTERNAL AFFAIRS

GARRISON IRRIGATION PROJECT IN UNITED STATES—REQUEST FOR CANADIAN EFFORTS TO SECURE MORATORIUM ON CONSTRUCTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs. Last Friday the right hon. member for Prince Albert raised some questions with regard to the Garrison dam project. I wish to ask a further question. In view of statements by Mr. Russell Peterson, chairman of the United States president's council on environmental quality, that a moratorium on all new construction of the Garrison irrigation project in North Dakota be halted and in view of statements by Representative Vanik that the Garrison project is a "monument to folly and bureaucratic inertia", will the Canadian government now renew its attempts in calling for a moratorium in order to stop the pollution of the Souris and Red Rivers in Manitoba?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we certainly welcome the position that was taken by Mr. Peterson, as contained in the question put by the hon. member. We made our position very clear to the United States on the harmful effects this diversion would have and that position will continue to be taken with the American authorities.

Mr. McKenzie: A supplementary question. Are there any negotiations going on at the present time?

Mr. MacEachen: Mr. Speaker, there have been negotiations. It is expected that further meetings will be held on this subject later this year in an effort to reach a satisfactory resolution of the problem from our point of view.

* * *

● (1450)

LABOUR CONDITIONS

PROTEST OF RAILWAY EMPLOYEES AGAINST COMPULSORY CHECK-OFF OF UNION DUES—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the Minister of Labour? Has the minister received a submission from the Saskatchewan Railway Employees Association, whose headquarters are in Biggar, Saskatchewan, requesting his intervention with a view to postponing the implementation by the railway companies of the compulsory check-off of union dues, to be initiated at the end of this month, until a countrywide referendum of railway employees can be held, and if so would the minister advise the House of his intentions in this regard?

[Mr. Jones.]

Hon. John C. Munro (Minister of Labour): I am not aware of having received the submission in question. I will check, and get in touch with the hon. member.

* * *

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—SUGGESTED ATTENDANCE BY TWO MINISTERS AND TWO MEMBERS OF PARLIAMENT

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): In view of the importance of the subject matter raised by the hon. member for Prince Albert, might I direct a question to the Acting Prime Minister? Would he seriously consider following the precedent of 1961 and ask the Prime Minister to name at least two cabinet ministers and at least two federal members of parliament representing both language groups to make the most effective political representation in favour of the case for a world food bank at the food conference being held in Rome next month?

Hon. Mitchell Sharp (Acting Prime Minister): It is the intention of the government that at least two cabinet ministers should attend the World Food Conference in Rome at which this proposal will be put forward. I am sure they will represent Canada very well, but I will take under consideration the suggestion that they might be supported by other members. This will be a very large delegation and I think it will be thoroughly representative of Canada. It may even include representatives from non-government organizations who will wish to go to support this particular project and others.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Basing my supplementary question on experience in the past, I hope the Acting Prime Minister will make the most fervent representations to the Prime Minister that in no circumstances should there be any recall of any of the ministers during the two weeks.

* * *

FINANCE

POSSIBLE PAYMENT OF COMPENSATION TO RAILWAYS FOR LOSSES CAUSED BY FREIGHT RATE FREEZE

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I had a question for the Minister of Transport but I notice he is not present. I hope he will be here later this day, because many hon. members are looking for him. I will direct one of my questions to the Minister of Finance. Since the railway rate freeze has now been in force for a little over a year, affecting about 22 per cent of rail freight traffic, can the minister tell us whether or not compensation has been sought by, and paid to, the railroads for alleged losses caused by the freezing of freight rates?

Hon. John N. Turner (Minister of Finance): I think that question ought more properly to be directed to the Minister of Transport when he is here later in the day.

Mr. Benjamin: Does the Minister of Finance have no idea, then, of what amounts are being paid out?

Mr. Turner (Ottawa-Carleton): I do. I simply think the Minister of Transport is the appropriate minister to answer the question.

* * *

[*Translation*]

NATIONAL DEFENCE

VALCARTIER—REQUEST FOR PUBLICATION OF REPORT ON ACCIDENTAL DEATH OF CADETS

Mr. Pierre Bussières (Portneuf): Mr. Speaker, I should like to put a question to the Minister of National Defence.

Last summer, there was a very unfortunate accident at the Valcartier Canadian Forces Base, which caused the death of two young cadets. The military authorities launched an inquiry on the matter. I should like to know if the minister intends to make public the report he received following the inquiry by the forces authorities?

[*English*]

Hon. James Richardson (Minister of National Defence): A board of inquiry has completed its investigation into the most regretable accident at Val Cartier last summer. A press release was issued today following the issue of the report of that inquiry. It could really be looked upon as an interim report; the full report cannot be released at least until after the many recommendations made by the board have been studied.

* * *

MANPOWER

JOB VACANCIES IN ALBERTA—POSSIBLE RELATIONSHIP TO HIGH UNEMPLOYMENT INSURANCE BENEFITS—REQUEST FOR STUDY

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a question to the Minister of Manpower related to a serious revelation by the Department of Labour which indicates there are some 40,000 jobs vacant in the province of Alberta affecting the forest industry and construction—as a matter of fact the department calls for a 20 per cent increase of permits for migrants so that they might take up these jobs. Can the minister tell us what immediate steps his department is prepared to take to ensure that those seeking work find jobs, particularly as this relates to the serious situation in Alberta?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have had several consultations with members of the government of Alberta, most recently in Jasper with Dr. Hohal, the minister of manpower and labour there. We found ourselves in complete agreement that the best method of operating would be to search locally for people to fill these jobs. I might say that in the province of Alberta, particularly, there are a large number of native people who I think should be given the opportunity of filling these jobs even if this were to involve intensive training. I believe the native people of Alberta would support this point of view. Should it not be possible to fill the jobs in this way we will place them on the national and regional networks; only after this are we prepared to look abroad for recruitment of immigrants or short-term seasonal workers. Dr. Hohal has expressed his full agreement with this approach. We are working in conjunction with industry there to try to satisfy the demand.

Mr. Alexander: I thank the minister for his answer, but in the light of the continuing concern about the relationship between high job vacancy rates, high unemployment insurance benefits and high unemployment can the minister tell us whether he has undertaken a study in this field, and if so, how soon the results of that study will be revealed?

Mr. Andras: We have undertaken several specific studies in co-operation with specific industries including the Forest Products Association of British Columbia, the logging industry, the mining industry and others. We find that the existence of unemployment insurance benefits at the present level very rarely constitutes the real inhibition in matching workers with jobs. There are problems related to vocational skills, working conditions, wages and so forth; usually, when we have been able to consult with employers we have succeeded in reaching a meeting of minds which involves some of them tidying up their acts, as it were, though there are other policies which need to be addressed to this situation.

Mr. Alexander: The minister now seems to be saying, in a backhanded way, that there is no need to bring amendments to the Unemployment Insurance Act.

Mr. Andras: That is not what the minister said, and I think the hon. member knows it full well.

* * *

IMMIGRATION

INSTRUCTIONS TO OVERSEAS OFFICES CONCERNING JOB VACANCIES

Mr. Jake Epp (Provencher): May I direct a related question to the Minister of Manpower and Immigration? In the light of the statement made by the hon. gentleman yesterday, has he instructed immigration officers in our offices overseas that there exists a serious shortage of labour in western and northern Canada and have these officers been instructed to inform immigrants of these job vacancies?

Hon. Robert K. Andras (Minister of Manpower and Immigration): This has been an on-going exercise. We have been making these officers abroad acquainted with the labour market both on the basis of occupational demand information and more recent techniques for designating, in consultation with the provinces, occupations which are in high demand in given regions. This practice will be continued.

Oral Questions

UNEMPLOYMENT INSURANCE

SUGGESTED CLOSING OF SUPPLEMENTARY OFFICE IN EDMONTON—GOVERNMENT POSITION

Mr. Douglas Roche (Edmonton-Strathcona): In the light of this report that there are 40,000 job openings in Alberta, will the minister now give consideration to closing the supplementary unemployment insurance office in Edmonton—the second office located in the riding of Edmonton-Strathcona? It is not needed because of the declining volume of applicants and its closing would save taxpayers more than half a million dollars a year?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The hon. member did write to me about this matter. I am looking into it and I appreciate the information he has given me. If the hon. member's impression is validated by our own analysis we shall not fail to seize the opportunity to reduce the service.

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● (1500)

HEALTH

BACTERIAL LEVELS AT WHICH GROUND BEEF UNFIT FOR HUMAN CONSUMPTION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the very intense anxiety of many housewives and others using ground beef, which anxiety has been caused by the report of finding a high level count of bacteria in ground meat which could cause severe illness and morbidity, and since this has been reported previously on other occasions, I should like to ask the minister whether there are any predetermined levels of bacterial counts that are used as a guideline, or any findings of bacterial types that would cause meat to be labelled as unfit for human consumption?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would remind the hon. member that the program that was referred to in this House did not refer to any specific levels of bacterial count or coli. The advice I have received is that at levels of less than 1,000 E. coli per gram the significance of coli bacteria as an indicator of health hazard is questionable. All the indications we have at the present time are that the high total count of bacteria reported in Canadian ground beef does not pose a health hazard per se. It may indicate inadequate storage conditions in regard to time or temperature, and in some cases possibly unsanitary handling. But the important thing is to cook the beef at a moderate heat of 160° F or so; then there is no worry that this should cause any health hazard.

ALLEGED LACK OF INSPECTORS TO ENFORCE PROVISIONS OF FOOD AND DRUG ACT—REQUEST FOR INCREASED PENALTIES FOR OFFENDERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question. In view of the startling relevation made by the minister outside the House yesterday that he did not have enough inspectors adequately to enforce the provisions of the Food and Drug Act at the retail food level, what steps is the government taking to ensure that the regulations of the Food and Drug Act are in fact being enforced at the retail food level so as to ensure protection for Canadians?

[Mr. Andras.]

Hon. Marc Lalonde (Minister of National Health and Welfare): Once more, Mr. Speaker, the hon. member's imagination is carrying him away. What I said was that there was no way we could have inspectors inspecting each and every store across the whole country every single day. You would need an inspector for every store, and in view of the position of the hon. member's party vis-à-vis the growth of the public service I do not expect he would argue we should have an inspector for every store. That is what I said. On the other hand, my departmental officials are doing everything they can to carry out checks on everything having to do with the proper and satisfactory handling of meat in this country.

Mr. McGrath: A further supplementary, Mr. Speaker. In view of the admission that there are not enough inspectors to carry out or enforce the regulations at the retail level, may I ask the minister whether he will now carry out the recommendation of the Food Prices Review Board and give greater publicity and stiffer penalties to people who break the law, as one means of ensuring that Canadians will be protected against the sale of unhygenic beef?

Mr. Lalonde: Mr. Speaker, once more I will not agree with the premise of the hon. member's question. Indeed, we have been working on the implementation of several of the recommendations put forward by the Food Prices Review Board last June, and the best evidence of this is the opening in one week's time in Halifax of another food monitoring laboratory of the health protection branch of my department, which will be specializing in the analysis of meat and food products sold in this country.

Mr. Speaker: Is the hon. member for Simcoe North rising on a point of order?

Mr. Rynard: Mr. Speaker, I wonder whether I could ask the Minister of National Health and Welfare whether he believes, in view of all that has gone on here, and if all these packages are to be labelled, that they should carry a label saying they must be well cooked?

Mr. Lalonde: Mr. Speaker, I will certainly be very pleased to look into this matter and raise it with my colleague the Minister of Consumer and Corporate Affairs.

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IMMIGRATION

EFFECT OF CHANGED REGULATIONS ON NOMINATED RELATIVE APPLICANTS FOR COMMUNIST CHINA

Mrs. Ursula Appolloni (York South): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. Would the minister clarify whether the new immigration regulations he announced in

the House yesterday will adversely affect nominated relative applicants from the People's Republic of China?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do appreciate the hon. member's question and the opportunity to clarify.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Andras: Seriously, Mr. Speaker, the movement from the People's Republic of China does include nominated relatives as well as sponsored. All applications in hand prior to yesterday will be treated, as I indicated in my statement, without application of the changes made in the new regulations. The nominated applications from yesterday forward will be treated in the way applicable to all other source countries.

I might add that as of October 22 the number of both sponsored and nominated applications from the People's Republic of China totalled 6,551. None of these applications will be affected by the new regulations, though of course not all the nominated applications will be approved, as would be the case with any other request.

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GRAIN

SUGGESTED INCREASE IN INITIAL PRICE OF WHEAT—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the minister in charge of the Canadian Wheat Board. In view of the fact that the present difference between the initial price that the farmer gets for a bushel of wheat and the Wheat Board's export price is well over $3, and in view of the fact that most farmers want a higher initial price, is the minister giving any consideration to asking the Wheat Board to increase the initial price to farmers?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the whole question of increasing initial prices is under review. It is not ordinarily our policy to make these changes haphazardly or from month to month to reflect any current situation. However, we will look again at the situation this year, as we did last year, and determine whether and when it is appropriate to make a move.

The most important thing in my mind is for farmers to understand that it is the total return that they receive from the Wheat Board that is important and relevant to them, and any higher initial price will still not convey the full value of their grain to them. Then they have to watch the other information that the Wheat Board is providing, namely the price at which the Wheat Board is selling their grain.

[*Translation*]

UNEMPLOYMENT INSURANCE

AMENDMENTS TO PROVISIONS RESPECTING SICKNESS BENEFITS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a supplementary for the Minister of Manpower and Immigration.

Since the Unemployment Insurance Act will be amended shortly, particularly with regard to sickness benefits, can the minister assure the House that those amendments will cover the regulations which entitle to sickness benefits, so that male recipients will no longer be disqualified by officials as were some in my riding this week when they received the following notice:

Dear Sir,

You are not eligible to sickness benefits because your pregnancy period did not occur during your initial period.

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I welcome the hon. member's representations. When amendments to the act are introduced, full recognition and consideration will be given to his suggestion.

* * *

SCIENCE AND TECHNOLOGY

MICROSYSTEMS INTERNATIONAL—SUGGESTED RECOVERY OF GRANTS IN VIEW OF COLLAPSE OF COMPANY

Hon. Robert K. Andras (Minister of Manpower and Immigration): While I am on my feet, Mr. Speaker, and wearing another hat as Acting Minister of Industry, Trade and Commerce, might I reply to a question put by the hon. member for South Shore yesterday regarding Microsystems International. I note he has been rising to catch your attention.

I am informed that the company has neither collapsed nor received funds in the amount of $48 million. The actual sums are $30.4 million by way of grant repayable out of profits, and a loan of $6.7 million was approved in 1969, in full recognition that this was a high risk venture. There has been a softening in markets around the world for microelectronic products, and this has adversely affected a number of producers, including this company. We hope that in the long term these markets will recover. In the meantime, Microsystems International Limited has considerable excess capacity, and in order to utilize it economically Northern Electric is offering to absorb existing Microsystems facilities into its own operations. Incidentally, Northern Electric has invested significantly more in this enterprise than has the government.

● (1510)

EXTERNAL AFFAIRS

EUROPEAN ECONOMIC COMMUNITY—EFFECT OF TRADE NEGOTIATIONS WITH COMMUNITY ON GATT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in view of the negotiations currently being carried on in Europe relating to trade with France and the EEC, I should like to ask the Secretary of State for External Affairs whether those negotiations negate or by-pass the usual process of trade negotiations with or under GATT?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker.

Mr. Ritchie: Mr. Speaker, will these negotiations in any way prejudice future negotiations under GATT?

Mr. MacEachen: No, Mr. Speaker.

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AGRICULTURE

BRUCELLOSIS—REQUEST FOR COMPENSATION PAYMENTS WITHIN SHORTER PERIOD OF TIME

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to address a question of great importance and seriousness in eastern Ontario to the Minister of Agriculture. This matter has been raised to some extent in the House before, and concerns brucellosis which is ravaging dairying herds through eastern Ontario including 86 herds which have been quarantined in Carleton County alone, 21 in Leeds and more in other counties. Can the minister guarantee this House that compensation payments made for the loss of these cattle will be made to the farmers within a period of no longer than 45 days after the animals have been sent to slaughter rather than the farmers having to attempt to subsist for a period of three, four or five months as a result of the compensation fund having gone bankrupt?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I agree with part of what the hon. member says in respect of some cases that we have checked out following reports by hon. members, but unless there is some very unusual circumstance the farmers should be paid within three or four weeks. I might add that there is an obligation on the person who has had the misfortune of having his herd condemned because our inspectors demand proper cleanup and so on. I agree that this is not always the case. The hon. member referred to the number of herds affected in Carleton County. This is certainly tragic, but I would point out that it represents approximately 6 per cent of the herds in that county. I believe the hon. member for Northumberland-Durham made a request the other day for a report which I can give if he still wants it. I should just like to caution hon. members about suggesting that this infection is moving at great speed across the province of Ontario. That is not the case according to the reports I have from the Director of Animal Husbandry on health of animals in Canada. This is an important industry, and animal health in our nation is still the best in the world.

[Mr. Andras.]

Mr. Dick: Mr. Speaker, I enjoyed the minister's speech but he did not in any way come close to answering my question. Can he guarantee the House that these farmers will receive compensation within 45 days of the cattle being slaughtered?

Mr. Whelan: Mr. Speaker, if all procedures are carried out as they are supposed to be the farmers can get their payments in three or four weeks. I cannot guarantee that the farmers will carry out the required cleanup within 45 days, but it would have to be done in much less than that in order that the cheques can be properly made out and sent.

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TRANSPORT

RESTORATION OF PASSENGER TRAIN SERVICE IN SOUTHWESTERN ONTARIO—GOVERNMENT POSITION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I should like to ask the Minister of Transport whether it is the position of the federal government that restoration of passenger train service in southwestern Ontario is now a dead issue?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is still a subject of study with the government of Ontario.

Mr. Beatty: Mr. Speaker, I should like to ask whether the minister authorized Diane Waller of his office to write a letter in which she indicated it would be in the public interest that these services not be restored and the federal government had a responsibility to encourage bus service instead for many of these areas?

Some hon. Members: Oh, oh!

* * *

NATIONAL DEFENCE

LAND FORCE REVIEW STUDY—REQUEST FOR PUBLICATION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, last spring in answer to a question posed by the hon. member for York-Sunbury the Minister of National Defence stated that the land force policy review study would be completed in the near future. Will he inform us whether he has read the study, if he concurs with its findings and if he will table it?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker, the land force policy review study has been completed and is now being considered by me and senior personnel of the Department of National Defence.

Mr. McKinnon: Mr. Speaker, would the minister consider making the study available to selected members of the opposition on a confidential basis?

Mr. Richardson: I will consider that, Mr. Speaker.

Mr. Ellis: Mr. Speaker, I rise on a point of order relating to a question I have directed to the Minister of Transport on a number of occasions. He promised to answer last week, and since he has not been here earlier this week I wonder whether he might be given the opportunity to answer this question regarding the report on the investigation into the Frobisher Bay accident?

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BUSINESS OF SUPPLY

CONCURRENCE IN MAIN ESTIMATES FOR YEAR ENDING MARCH 31, 1975

Hon. Jean Chrétien (President of the Treasury Board) moved:

That the Main Estimates for the fiscal year ending March 31, 1975, presented to the House, Thursday, October 3, 1974, be concurred in.

Motion agreed to.

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BUSINESS OF SUPPLY

SUPPLEMENTARY ESTIMATES (A), 1974-75

Hon. Jean Chrétien (President of the Treasury Board) moved:

That Supplementary Estimates (A) for the fiscal year ending March 31, 1975, presented to the House, Thursday, October 3, 1974, be concurred in.

Motion agreed to.

Mr. Chrétien thereupon moved that Bill C-31, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975, be read the first time and printed.

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

Mr. Chrétien thereupon moved that Bill C-31, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31 March, 1975, be read the second time and referred to the Committee of the Whole.

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

● (1520)

The Chairman: It is my understanding that the committee wishes to proceed directly to consideration of Schedule A in the bill and to begin consideration of the portion of the schedule touching on the Treasury Board which will be found at pages 28 and 29. At this point I wonder whether it would not be more procedurally in order to stand the title, the preamble and clauses 1 to 6 of the bill. If hon. members agree, we will stand these clauses and return to them at a later stage. Is it agreed that we stand the title, the preamble and clauses 1 to 6 of the bill and go directly to Schedule A for the consideration of the Treasury Board estimates?

Some hon. Members: Agreed.

Title stands.

Preamble stands.

Clauses 1 to 6 inclusive stand.

The Chairman: I wish to inform hon. members we will now proceed to the study of the provisions of the schedule dealing with the Treasury Board which may be found at the bottom of page 28 and on page 29 of the bill.

On Schedule A—Treasury Board.

[*Translation*]

Mr. Chrétien: Therefore, Mr. Chairman, the appropriation bill before us relates to the main estimates and the first supplementary estimates for the current fiscal year.

As most hon. members will recall, I am sure, the main estimates were presented to the last Parliament on February 28 and shortly before the beginning of the current fiscal year Parliament voted interim supply to be used for the public service until the end of June.

In May, Parliament was dissolved and general elections were called. Since interim supply ran out at the beginning of summer, the government has financed itself through a series of special warrants, each covering approximately one month. Section 23 of the Financial Administration Act provides that such warrants can be issued to get the funds needed when Parliament is not sitting. The last of these warrants which was prepared in September should be barely enough to cover expenditures for October.

Almost all the expenditures incurred between the months of June and October were already in the main estimates, so that almost all the warrants were, so to speak, an advance on the estimates. the few new items are provided for in the supplementary estimates. In fact, except for two votes, the whole supplementary estimates include items that were covered by the special warrants, but not the main estimates.

The first of these two items deals with the payment of compensation on imports of oil and oil products (Department of Energy, Mines and Resources, vote 52a, $330 million) which will be handled by the Energy Supplies Allocation Board. It covers the months of November and December. Before then, I hope that Parliament will have adopted further legislation to provide for these payments until the end of the fiscal year.

The second deals with payments provided for in the program for the double price of wheat (Department of Industry, Trade and Commerce, credit 41a, $79,300,000), in order to subsidize the price of wheat for Canadian consumers between the month of September 1973 and July 1974. The bill concerning the other six years of this 7-year program has reached the second reading stage in the House.

The appropriation bill we are discussing today would grant the total credits of the main estimates and the supplementary estimates for the rest of the fiscal year.

To give the usual assurances, Mr. Chairman, I must mention that this bill is along the same lines as those of years past and does not contain any new authority to borrow.

[*English*]

I would like to summarize very briefly what the estimates contain. If we take main estimates of $22 billion, supplementary estimates of $890 million, and for completeness the forecast of payment for old age security and the guaranteed income supplement of $3.4 billion, we have, for total budgetary estimates to date, a figure of almost $26.3 billion.

To avoid any confusion I want to remind hon. members that the figure my colleague, the Minister of Finance, will use when talking about total government outlays at the time of the budget will differ from the figures I have available now. There is always a net lapse or shortfall of a few hundred million between estimates and actual expenditures reflecting such things as delays in filling vacant positions and delays in construction. In addition, the Minister of Finance will provide in his figures for a contingency to cover expenditure requirements that may yet arise.

In any case, to talk in broad terms, an amount of about $15 billion of the $26 billion presented to date in what are called budgetary expenditures is devoted to transfer payments. That is 57 per cent. The largest of these transfer payments are: old age security and the guaranteed income supplement; family allowance payments; unconditional fiscal transfers to the provinces; the conditional or special purpose transfers to the provinces to cover half the costs for hospital care, medical care, and the Canada Assistance Plan; veterans' pensions and allowances; the government's share of the cost of unemployment insurance payments; grants to the less developed countries; and the subsidies recently introduced to ease the impact at the consumer level of price pressure on milk, bread, and petroleum products.

Most of these, accounting for about $10 billion, are measures successive Liberal governments have taken to give Canada systems of social security worthy of a modern, relatively wealthy state.

Other redistribution measures designed to promote equality of treatment for our citizens, such as fiscal transfer payments to the provinces and support for university education, call for expenditures approaching another $3 billion. Almost all the foregoing are transfer payments governed by statute, and some are covered by five-year agreements with the provinces. Most of those who criticize government expenditures are very unhelpful as to what specifically might be done to reduce them. But even if we were to have a government so unenlightened as to wish to tear down these key supports of our national life, years might well elapse before the destruction would be carried out.

In practice then, the great bulk of the expenditures of the federal government must be taken as given. Only at the margin is there room to manoeuvre so as to tune the long term pattern of expenditures which has been put in place over a decade, and more so as to respond to new demands or to try to affect the movement of the economy.

● (1530)

The rest, about $11 billion or 43 per cent, covers the servicing of the public debt, about $3 billion; the subsidization of Crown corporations, about three quarters of a billion dollars; and the remainder, the operating and capital costs of departments.

I might note that an important reason for the growth in the size of the public debt is the money borrowed to meet non budgetary requirements which take the form of investment in Crown corporations—CMHC, Atomic Energy of Canada Limited, the Farm Credit Corporation, the Export Development Corporation, and so on—Crown corporations being special instruments in the furthering of the social, economic and other policies.

About one third of the operating costs of the government for 1974-75 are taken up in the defence budget, and most of the rest in programs of service to the public, such as the Post Office and transport services, or in the essential functions of government as government, such as tax collection and the RCMP.

It is important to recognize, though it seems easy for some critics to forget, that the federal government provides and must pay for a wide range of basic services for the economy—airports, air traffic control, the mails, food and drug inspection, federal police—the list could go on a long time. These services become more vital and more expensive as society grows, and in all realism they should be looked upon as being only slightly more optional than the redistribution measures established by statute to which I previously referred.

[*Translation*]

So there, Mr. Chairman, you have in short an idea of the situation before the House at the present time. As the hon. members will realize, more than half the federal budget is provided under acts passed by the House and over which we have practically no control, unless of course the House wishes to introduce new bills. We are now trying to check the level of government expenditures as much as possible. Over the last three months, we have given instructions to all departments to the effect that they must operate within the limits of the estimates tabled in the House today.

A few supplementary expenditures now before the House are the result of measures carried by the government and requested by the House of Commons, such as the one-price oil policy and the one-price wheat policy for Canadian consumers. I hope hon. members will understand that if they want this governmet to be able to control the growth in government expenditures, they cannot at the same time ask us to make further expenditures.

Therefore, I urge hon. members in the next three days to meditate on this aspect of the issue. I will be glad to answer questions from hon. members. The other ministers referred to with respect to the order introduced in the House for the debate on the current estimates and the supplementary estimates will be present to answer questions which I hope will be useful to hon. members and Canadians in general so it will be realized that federal government activities are quite important. The larger part of government expenditures, 57 per cent, are set out in legislation voted by hon. members. It would probably be quite improper, for example, for the President of the Treasury Board to propose cuts in old age security pensions, family allowances or other programs of this type.

That is why we are here today, to explain the estimates and give the necessary information to hon. members.

[*English*]

Mr. Baldwin: Mr. Chairman, I congratulate the minister on his able presentation of the estimates and wish him well in the very difficult task which lies ahead of him. I can only assume that he took it over because he was a refugee from his last job, and anything was a good escape hatch.

In my opinion this bill is wrongly called an appropriation bill. I suggest it could better be named the misappropriation bill because it is nothing but the legalization of the $25 billion rip-off of the Canadian taxpayer by the Trudeau government.

To take money from people with their consent and, after adequate opportunity, to examine the purpose and scrutinize the detail, are one thing, but the ritualistic tribal dance which we call approving estimates is merely a farce, a slapstick comedy. Any suggestion that the existing rules and regulations permit members of parliament to engage in a meaningful check on the gigantic spending program of the government is absolute nonsense.

An hon. Member: Author?

Mr. Baldwin: The traditional right to withhold supply until all grievances have been dealt with and parliament is satisfied with the bona fide of proposed expenditures is gone. It has been swept away by an arrogant executive.

As we pass through the twilight of the bureaucratic dominated welfare state to the darkness that lies beyond, we find it quite impossible as members of parliament to carry out our rights and duties of ensuring that money, extracted as taxes from the people of Canada, is properly spent.

There are many reasons for this but time permits me to deal with just a few in a limited form. First there is the sheer size of the public accounts and of the blue book of estimates, not only the number of votes of money but the gobbledygook language in which they are couched. Even the present Minister of Public Works, for many years the President of the Treasury Board, was moved to say when appearing before a Senate finance committee last year that: "we are now getting to the point where the book is so thick and has so much in it that it almost appals people . . ." and again: "The same problem with the public accounts which, over the years, have grown and grown . . . and now we have reached the stage where it is almost incomprehensible". That is what the minister said. It is one of the few really accurate statements he has made for some time.

An increasing amount of the estimates is made up of statutory items, that is to say, expenditures fixed by previous acts of parliament, and for all practical purposes beyond the reach of subsequent parliaments.

Another reason is the use of schemes such as dollar votes, legislative items, making commitments for a number of years ahead. Last year there was an item of $350 million in supplementary estimates for a public works program. It should have been in statute form and it was challenged in the other place, but it was passed because the minister produced an instant opinion from the Department of Justice which ran quite contrary to a Treasury Board manual which has been in existence for many years. Now that $350 million has disappeared into the cavernous belly of bureaucracy and probably will never be heard of again.

Another reason is the fact that the present Standing Orders and the previous decisions of Mr. Speaker make it almost impossible for the House to reduce the amount of any vote. Because of the limited amount of time and opportunity in special committees of the House for examining estimates and the method in past years of conducting the proceedings—most of these committees have been operating as kangaroo courts—members are inhibited in their tasks.

We have been left with a sort of comic opera atmosphere of contempt and disregard for the hard pressed taxpayer, and this is compounded when we consider the enormous acceleration of government expenditures over the last few years.

● (1540)

It is a fact the policy of expanding the monetary supply to accommodate these huge expenditures has been one of the principal domestic factors in the inflation which continues to ravage the average Canadian.

All of this would be bad enough if there were efficiency in the management of our accounts—the very fact that we are engaging in this exercise in the next few days is proof that this is not the case—and if in the larger context the Canadian government were, in fact, doing those things which ought to be done for the benefit of the people of Canada.

It was all very well when we were in an era of rising productivity, the rate of which did not lag too far behind the national accounts. But now, finally, the financial facts of life have caught up with the government which stands helpless and moribund, with no plan save only that of the modern king Canute, the Postmaster General, who says, "Don't talk about inflation and it will go away".

So here we are with expenses out of control; a government so big, so complex, that it is out of control, and this parliament is losing its right to challenge. The Auditor General's reports over the last few years pointed out over and over again that in fact we had lost the right to check properly and to restrain the government over public expenditures. I suppose we all have to bear some blame. Certainly members of parliament were delinquent in giving up the safeguards they surrendered. We are all responsible. None of us voted against those proposals.

The media have had very little to say about it. I noticed today that when the minister rose to speak about the estimates there was a general exodus of those who should be interested. I wonder if the situation will ever have enough political sex appeal to capture public attention. Certainly something is wrong but the public does not know what.

There is another aspect which goes hand in hand with the question of control of spending. That is the right of the public, parliament and the media to receive adequate information from the government. I questioned the Prime

Minister on this a few days ago and he gave me the usual slick, glib reply that the ground rules brought in by the former government House leader, which to some extent he said were imported from Sweden, these are quite ineffective. That is nonsense, Mr. Speaker. They have had no material effect on increasing the flow of information to members.

I had a chance to talk to the Prime Minister of Sweden, and asked him about what he had seen in this House and what is going on in Sweden. Out of politeness toward a distinguished visitor I will not pass on his comments, but he pointed out that in Sweden government information is within the full range of inspection of the media and the public. He said that a few days before he left three newspaper reporters went through his files for information. When will we get that sort of thing in this House, Mr. Speaker?

Mr. Reid: When can we go through your files?

Mr. Baldwin: Mr. Chairman, I should like the hon. member to see my files with all the complaints about what the government is doing to the people of Canada.

When the Prime Minister talked about Sweden he should know what the situation is there compared with Canada. We are away back in medieval days. Let us be honest, realistic, practical. Time has run out on us, and we are reaching the end of the road as far as being able to mount an effective parliamentary challenge to government spending in this House. We are a parliament which has lost its teeth, and we are being edged into a half baked presidential system without any of the safeguards which should be attached.

I am rather interested in the present desire of the Prime Minister to go to the British practice for some improvements. I would refer him to a book "The Passing of Parliament" by Professor G. W. Keeton. At page 33, the author comments:

> Today, in Great Britain ... Transition would be easy, swift, and it could be accomplished with complete legality. Already so many steps have been taken in this direction ... Today, virtually our only remaining constitutional safeguard is the habit of tolerance and the existence of a powerful political opposition—

No wonder the Prime Minister is anxious to involve himself in the British practice.

What are the things that we need? We need the right to bring certain estimates, at the option of the opposition, into this House for full study in a revived committee of supply, with ample opportunity to question ministers. This is in addition to the continuation of standing committee examination. The estimates must be put in a form which is intelligible. We need to accelerate the examination of public accounts, and must have the right to have some examination in the House of public accounts committee reports. After all, when any animal makes a mess it should have its nose rubbed in it occasionally, and this is what should happen to the government.

The cabinet and bureaucrats must be compelled, under severe sanctions, to provide information requested. We must have the right to reduce the items of estimates, and all of this not just to prop up the prestige or enhance the dignity of the House but simply to do our job so that we can stand at the bridge and say to the government, "Your estimates shall not pass until you have dealt with the grievances and the right to know of the people." Will we get it? I do not know. Certainly the bureaucracy will not voluntarily give up its authority, and the cabinet is made up mainly of recycled bureaucrats.

Today I fear there is not much hope that the House as a whole will go along with my suggestion because the government has a majority. Its supporters are quite satisfied with the scheme of things and most of them look ahead to the day when they, too, may have their chance to move up to the throne and become ministers and experience the great thrill of throwing around hundreds of millions of dollars of other people's money.

This leaves the opposition, or those of the opposition who will dig in and fight, and perhaps some in the media who may also perceive the dangers which threaten. Will that be enough to stimulate public outcry for changes? There is nothing certain about it, but we have to try because it is our duty, because there is not much time left, and because if there is any further increase in executive power the Prime Minister's office and the cabinet will shortly become, in legal form, what it is now in substance, a collective autocracy, with no restraints between elections.

The question I often ask myself, and I am sure others do also, is this: do people really want a continuation of the parliamentary democratic system or are they content with the executive dictatorship we have been building in Canada over the last eight or ten years? On balance I am convinced the great majority of people have a sound instinct, realize what is best for them and prefer the democratic structure which would permit them, through their representatives, to challenge the juggernaut of government.

So it is our duty to seek improvement, to say to the government which probably will not listen, and to the people who may, that this House, this parliament, must be equipped with the means and the tools to carry out its responsibilities. Society to live, to survive, to progress must change, conform and adopt.

The choice we face is either to secure these changes by the proper interrelationship of parliament and government so that from time to time we reach a consensus to bring the greatest good for the greatest number—a result which has to be judged by the needs of the people and not the wishes of the executive—or else we will have to cope with the painful alternative of explosive violence which we see around us. Mr. Chairman, the choice is for us in this parliament today.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, in the inter-party discussions which we had, we arranged for a certain number of departments to be given our attention during these three days. It is correct that the estimates of the Treasury Board were to be first on the list so that we could have a parliamentary discussion on government spending in general, and on the way in which parliament handles the government's estimates.

● (1550)

The hon. member for Peace River has conformed to that arrangement. I wish to make a few comments on what he

has said and on the things that have been designated for this discussion. I think it is fair to say we do not intend to stay very long on this subject. Rather, we welcome this opportunity afforded to us in these three days to get at the substance of the estimates of several departments. Accordingly, before long we will be into the estimates of the Department of Transport.

However, the remarks of my good friend from Peace River prompt me to make a few comments I had not planned to make. If I may be so presumptuous, I shall characterize his speech as being divided into two main parts. On the one hand, he levelled an attack at government spending generally. In fact, he called the estimates a $25 billion rip-off of the Canadian people. On the other hand, he criticized the methods by which we allegedly scrutinize the estimates or study the spending program of the government. One of my reasons for separating his speech into those two parts is that I do not want to confuse them. I want to speak about them separately.

With regard to government spending generally, I know that it is a favourite indoor sport to attack governments for expenditures, and to treat governments as though they are highwaymen holding up the Canadian people for the benefit of those who happen to sit on the treasury benches.

Let me say that I am terribly aware, and I have been around here long enough to have that awareness fully developed, of wasteful expenditure on the part of the government. I am frequently annoyed at the high salaries that are paid in certain areas. I am critical, as are all my colleagues, of government priorities in spending. Far too often unimportant things get the money that should be going into things that would make life better for human beings as individuals.

Having said that, let me deny the assertion that taxing and spending of the people's money is somehow a rip-off by highway robbers.

Mr. Baldwin: Mr. Chairman, I rise on a point of order. In order to make the hon. member's task easier and let him devote his time to that area which I think is more subject to attack, may I say I did not intend to create the impression that there was a challenge against all government spending. I was going back to my days in law when theft was defined as taking without colour of right. I was challenging the government for taking money without being subject to the usual precautions, scrutiny and safeguards which we ought to have. I ask the hon. member to take that as my understanding.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I am quite prepared to let the hon. member put that gloss on what he said if he wishes to do so. However, the fact is he did say this is not properly called an appropriation of funds but a misappropriation. He applied that to the whole book. He said it was a $25 billion rip-off of the Canadian people. I want to make the proposition that this is an attack on government itself. It is an attack on civilization.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): My friends do not seem to realize that civilization does not consist of a lot of individuals living in a dog eat dog fashion. Civilization consists of an organized society in which we decide, in an organized way, how we are going to distribute the wealth that we produce. If we did not have government, if we were an unorganized conglomeration with each of us going his own way, poverty and suffering in this country would be worse than they are at present. Inequality would be far greater.

By having government, which is an organization of society, we see to it that at least a portion of the wealth we produce—and I mean real wealth, goods and services—is distributed among the people of the community as a whole.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): If my friends to my right are hurt, they can say so. They can use the rest of these three days to bring out those antediluvian ideas that they want to put forward.

Some hon. Member: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I submit that the major portion of the money—not just the 57 per cent, but the money spent on highways, defence, postal services, health and all the rest of it—that is collected by governments at all levels, municipal, provincial and federal, then recycled and spent, is a process of society deciding how our wealth is going to be distributed, and trying to do it on the basis of some sort of fairness and equality for all our people.

I insist that my friends to the right cannot stand up and call for massive reductions in government expenditures unless they say where those reductions are to take place.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Are they going to reduce the money spent on old age pensions? For my part, I want to see a lot more spent on old age pensions, family allowances, housing, health and all those services that will make life better for the Canadian people. I want to see less money spent on a lot of public buildings that are not necessary. I want to see a lot less money spent on high salaries. I do not want any more money wasted on us. I want the money we collect and recycle through the process of government to get through to the people.

I submit that this attack on government spending which we get from my friends to the right all the time is completely out of touch with the basic philosophy and basic fact of civilization. I once read an article, I forget where, which was addressed to Governor Reagan of California. The article said that Governor Reagan must be told that civilization costs money.

If we are going to have a civilized Canada in which people have health services, housing, pensions and an organized community which they can count on having some dependability, it is going to cost money. That is what government is all about, and that is true at the local municipal level, at the provincial level and at the federal level.

People sometimes take the attitude that taxes are some sort of a fine, penalty, highway robbery or, to use the hon. member's word, misappropriation. I submit they are very often collected unfairly. A lot of tax is collected for wasteful expenditures and things that ought not to have priority—

An hon. Member: Like the Senate.

Mr. Knowles (Winnipeg North Centre): Yes, like the Senate. Get that on the record. The basic fact is that we are, in this collective way, paying for services. When we pay taxes we are not paying a fine to the Minister of Finance, the President of the Treasury Board or anyone else over there. We are paying for the cost of services that government provides.

In the context of that, I claim full right to be critical of the way these moneys are spent. I claim full right to be critical of high salaries for top senior civil servants, members of parliament, and of other ways moneys are spent.

Mr. Chrétien: Speak of Barrett in B.C.

Mr. Knowles (Winnipeg North Centre): I am just as critical of any government, even if of my party's persuasion, that does it. I am especially critical of the failure to make substantial increases in the basic old age pensions, to spend more money on housing, or to provide other services that our people so sorely need. I believe in civilization. I believe in Canada being a modern, humane civilization. But I accept the fact that this will cost money, and the big corporations, the ones that are getting 60 per cent or 80 per cent increase in profits every year, aren't going to do it.

● (1600)

The money can be collected and used to provide for a decent civilization only if we do it through the instrument of government. I think we could have a much better government than the one we see opposite, but the fact remains that if we are to have civilization we need a government which is prepared to levy taxes and then to use those taxes on the basis of proper priorities to create a decent, humane society for all our people. So I urge that we not waste time on this nonsense of picking up this book of $25 billion dollars worth of estimates for the year and saying that it is a misappropriation act.

Mr. Baldwin: It is just a rip-off.

Mr. Knowles (Winnipeg North Centre): The hon. member for Peace River (Mr. Baldwin) is more responsible than that. I know, because he is my friend and I like him. He could make a much better contribution to the debate than that. Don't worry about this talk about a minority parliament as opposed to a majority parliament. Whatever the situation, we have the right to try to make parliament work, and we want to see it work for the best kind of civilization we can have.

An hon. Member: He is trying for a Senate seat.

Mr. Knowles (Winnipeg North Centre): If that remark has gone on the record, the member who made it knows there is one member here who would absolutely refuse to go to the other place and it is this member for Winnipeg North Centre.

I have more sympathy with the hon. member for Peace River when he is talking about the other subject he dealt with, the question whether or not in parliament we give adequate scrutiny to the estimates. I do not believe we do. However, I still feel it is not much help for one side to damn the other because we haven't got a proper system. I believe we should put our collective minds together and try to work out a better system of handling the estimates, instead of just letting the opposition berate the government because we don't have it.

I have been around here for a while. I happened to come when the House of Commons was still handling estimates the way they were handled in the year one, and even though that was in wartime when we had a huge appropriation bill, it worked. We did every estimate of the federal government on the floor of this chamber in committee of supply, and of all the systems in my experience I think it was the best. The reason it had to go was because of the sheer explosion of expenditure. At the beginning of World War II the budget amounted to about half a billion dollars. In the first years after the war it got up to one or two billion dollars. I remember those terrible budgets which the father of the hon. member for Mississauga brought in—four or five billion dollars. Now it is $25 billion dollars. And with all the different things we spend money on, all the different things parliament is involved in, it was just impossible to continue the system we had down into the forties and fifties.

I was also here in the days when we did estimates on the floor of the House but had a limited number of days for them. That was just about as bad. In fact, it was worse. We got the estimates passed, but all the ministers had to do was just to sit them out. They knew that with the passage of time their estimates would get through. So we agreed, all of us in all parties, to try a new system of referring the estimates to committee. Then we bring them back to the House and normally we don't have this kind of debate—we just vote on them. I don't think it is working as it should.

I don't suggest we go back to the other system because there aren't enough days in which to do it, but I still think there is merit in the idea that at least some departments of the government—and here I am with the hon. member for Peace River, my good friend, 100 per cent—namely, the departments the opposition chooses, every year should be brought on the floor of the House and discussed without time limit.

I would rather have two or three departments in a year without time limit, than have 20 departments with two or three days each. The moment one places a time limit on estimates all the minister in charge of a department has to do is to sit there and listen to the speeches knowing that when the time comes the vote takes place and, with a majority government, his estimates will go through.

Therefore, I argue we should improve upon the present system, let most of the estimates go to committees as they now do, and let the members of those committees make the searching inquiries they talk about. But I think the opposition should have the right to say that we want these departments, A, B and C, or X, Y and Z, back here on the

floor. The opposition should pick them, they should come back to the House of Commons, and they should be discussed on the floor of the House of Commons without time limit. Unless something like this is done the so-called studies we make are not studies at all.

In this sense I do not blame the hon. member for Peace River for feeling we are just a rubber stamp approving something which has already been done. The size of that book, of course is frightening. It is at least four times the size of the book of estimates we had when I first came here, and it gives about one-quarter of the information. Surely some improvement can be made in his area in improving the handling of the estimates. I think what should be done is for all of us to put our ideas into the pot to see whether we can come up with some better way. Mr. Chairman, I believe we can.

[*Translation*]

Mr. Fortin: Mr. Chairman, I would like to make rather brief remarks after those made by the President of the Treasury Board (Mr. Chrétien).

Since this is the first time we deal with a matter involving him, I would like first of all to congratulate him for his appointment as President of the Treasury Board. With his long cabinet experience and that spirit of his, I think he will be able to make a useful contribution.

Mr. Chairman, I also want to assure him of our full cooperation in the consideration of bills introduced by him but, of course, as long as they are acceptable to us.

When the President of the Treasury Board (Mr. Chrétien) was interviewed on Lise Payette's television program on the CBC, in Montreal, he said that his role was to limit, control and supervise the estimates of each department. He gave the impression that he coordinated the activities of departments and that the Treasury Board accepted to vote credits at the request of the deparment and established priorities.

Indeed, in the statement about the purpose of his department contained in the main estimates, it is said that the minister is responsible for the selection of programs and projects that will achieve the objectives of the government in the most effective manner and in accordance with its priorities.

Mr. Chairman, if I am not mistaken, and I would like to restrict my comments to this point, the minister is responsible not only for accepting a list of priorities established by the Cabinet, but also for applying it and coordinating it with the activities of other departments.

Mr. Chairman, if this is true, I believe that the minister will have much to do to modernize this department. His role will be to ensure that there will be no double funding to meet the same objectives and that there is no conflict between two programs, since, as the hon. member for Winnipeg North Centre (Mr. Knowles) said in the same spirit, it would be dishonest to blame the government for spending too much while requesting more money for other programs. But this does not mean, Mr. Chairman, that we should waste public funds in some areas because we allow double investments or conflicts between programs.

I would like to clarify this point by giving a specific example: Of course, these problems do not occur at the level of government leadership, but when the laws are applied in practice, Mr. Chairman, many of the criticisms made by our fellow citizens in this area are quite justified. The administration of the laws and the various programs cost a lot of money and do not meet the desired objectives. All public servants in general, except of course those whose working contract was being negotiated at the time, received $500 as a sort of bonus. Even the employees of Crown corporations have received this bonus. Yet, Mr. Chairman, the House of Commons staff did not get it.

● (1610)

Here is what I am driving at. When we get in touch with the responsible people in the manpower mobility program, we are told that House of Commons employees, being members of the civil service are not entitled to the manpower mobility allowance. On the other hand, House of Commons employees who request equal treatment with the civil service are told by Treasury Board or I don't know who that they are not entitled to it because they are not members of the civil service.

Mr. Chairman, this is the kind of inconsistencies which I think important to raise now when we are considering the estimates of the Treasury Board Department. The way I understand the minister's explanations, both outside and inside the House, the role of his department is extremely important. The responsible minister should set up within the Treasury Board a body that would look into such discrepancies that cannot be justified.

You have the choice of two things, Mr. Chairman: either House of Commons employees belong to the public service and, as such, are entitled to all its avantages, or they do not belong to the public service and are therefore entitled to all the benefits available under the various departmental programs, including manpower mobility.

I suggest that we should clarify problems such as this, so that our employees, wherever they are in Canada, or the Canadian people may get what is coming to them without prejudice or contradiction on the part of other departments.

In this connection, I should like to give another example. In the estimates of the department, we shall be asked to votre some amounts of money for the Opportunities for Youth program or the summer student employment program. Mr. Chairman, I feel these programs are important. They should come under the Department of Manpower and Immigration. It was a long time the responsibility of the Secretary of State.

For practical purposes, we may wonder, when we consider some projects, whether they were set up to create jobs to help municipalities or teaching institutions. Mr. Chairman, this is another example among many others of an instance in which the Treasury Board might have an important part to play. If, on the one hand, the minister is endowed with the necessary authority to allocate funds to various programs according to government priorities, I should imagine that, on the other hand, that authority of his to allocate funds should entitle him to review their enforcement. I should think the Treasury Board is a kind of watchdog on the look out for the proper enforcement of laws and the proper management of programs and public funds.

If the minister manages the $27 billion paid by taxpayers and under various tax programs, I think he is responsible to the people for the proper allocation of those funds with the slightest possible amount of clashes between various programs.

I should therefore be glad to hear the remarks of the President of the Treasury Board in this regard, concerning that increasingly important part to be played by the department. I think the Treasury Board has a privileged position not only to coordinate the work of departments and ensure the enforcement of governmental priorities, but also to enforce laws, and above all to avoid useless and sometimes shocking and unfair contradictions as regards their enforcement.

Mr. Chairman, we in this House often vote for the allocation of sizeable amounts to some particular program. But when it comes to the practical use they are put to owing to ever more complex regulations as well as to civil servants who may feel overly secure in their job and also possibly arrogant and a long way from administration, it appears that those laws do not really meet the needs they were supposed to.

Mr. Chairman, I think the Treasury Board has a part to play, and it should have some organization responsible to the President of the Treasury Board for ensuring that the laws that are voted on and passed by the representatives of the people are being applied in conformity with their targets.

Mr. Chairman, to go one step further in that direction, if an hon. member were critical about something, before he would start pouring out his endless lamentations to the House and wasting the time of hon. members, he could immediately get in touch with the department concerned which would check into the matter of his criticism.

Mr. Chairman, I think that would be a guarantee for the public that the funds will be well spent and will serve their purpose. Nobody is happy to pay taxes, yet everyone has to, because that is the way the administration works. It is understood that the government must keep an open mind on all suggestions and positive remarks that might be made. I think one of those suggestions would be that the Treasury Board stop being run has it has always been, i.e. according to that good old British method where nothing moves and we are content with granting the funds asked for, and that, furthermore, it play an innovative role within the administration. Only then will the new President of the Treasury Board really prove equal to his task.

[*English*]

Mr. Reid: Mr. Chairman, I listened with a great deal of interest to the remarks of the hon. gentleman from Peace River, particularly to his criticism of the way in which supply had been handled and his plea to go back to the good old days. In the good old days there was a natural termination to supply in the House of Commons; basically the population was rural in nature and people wanted to leave the House of Commons to get back to the farm to plant their seeds. Therefore, there was a natural desire to get the blazes out of here and do something constructive, so that the estimates usually passed.

Just before I came to the House of Commons in 1965 I had spent two years as an executive assistant watching the House of Commons, particularly the supply procedures. I recall the good old days when we used to go through the annual procedure of voting supply just prior to the running out of the estimates. There was the odd occasion when, by accident, the estimates were not voted and the pension cheques would be held up for a time. Everyone would feel sorry, and the first opportunity they got they very contritely voted supply as quickly as possible.

The reason that we changed the supply procedures was that it was obvious that they were not working to the satisfaction of either the opposition or members of the government. Thus we came with the new system, the implications of which we are working our way through still.

Just what is the situation? We abolished the committee of supply and put the estimates in the hands of some 20 odd standing committees. At a stroke more time was made available for the discussion of supply than had been the case before. At a stroke there was a greater opportunity to question and to put on the griddle the administrators of government programs—that is, the civil servants. We never had that opportunity before.

We have more opportunity, as a consequence of the new system, to participate in constructive criticism of the spending policies of the government. There is more opportunity given to backbenchers to make themselves heard. Much more careful examination is permitted.

Mr.Baldwin: What about the Minister of Energy who won't let civil servants speak without his consent?

Mr. Reid: All I can say to that is that any minister who allows a civil servant to express policy is clearly out of his mind.

Mr. Baldwin: I did not say anything about policy.

Mr. Reid: If a minister has confidence in his civil servants he can certainly let them talk about administration, and this has been the practice for a very long time.

● (1620)

Mr. Baldwin: Look at the record.

Mr. Reid: We have always done that. At any committee I have attended civil servants appeared and provided information at the request of the minister. We still have the doctrine of ministerial responsibility in relation to what goes on in the department. That is the responsibility of the minister, and I see no contradiction at all. Indeed, I would say that the day we cease to have ministerial responsibility and a minister is not accountable for what goes on in his department, that is the day parliamentary democracy goes down the drain. I think the Minister of Energy, Mines and Resources is quite correct in his approach.

Mr. Baldwin: Do you agree with Macdonald?

Mr. Reid: I say we still have the doctrine of ministerial responsibility, and if I were a minister I would be clearly out of my mind—

An hon. Member: You are.

Mr. Reid: —if I allowed somebody else to take on the responsibility for which I, in the end, would be taken to task.

An hon. Member: Look what happened to Stanley. They pulled the plug.

Some hon. Members: Oh, oh!

An hon. Member: And look what happened to Herb Gray.

Mr. Reid: To go back to a more interesting subject, I think I am fair in interpreting the remarks of the hon. member for Peace River by suggesting that he is prepared to enter into discussions with those of us on this side who are interested in reform not only of the procedures of the committee of supply, but also the procedures of the House as a whole.

The essential difficulty we face is that we have had tremendous misallocation of the use of our time. We changed the situation because there are extraordinarily few members of parliament who now seriously seek to cut estimates. There are few members of parliament who really are serious about chopping items out of the estimates. Just take a look at any of the question periods since we have come back and you will find it very difficult to demonstrate, to any fair-minded person, that the thrust of the questions is for the government to stop spending. The burden of the questions generally is on why are we not spending more. With these changes we are spenders.

Some hon. Members: Oh, oh!

Mr. Reid: As the House of Commons we are spenders. If you will take a look at the estimates over the last two years you will see that that parliament, as a minority, was the greatest spending parliament this country has ever known, and it was a spending parliament in large part because of the minority situation. I cannot recall one instance in respect of any program that there was opposition by the official opposition, and in respect of which it voted against it.

The point is that the philosophy of members of parliament when it comes to dealing with supply has changed. We are no longer out to cut spending, rather we are out to increase supply. That means the approach we take in dealing with estimates is obviously of a different nature. It means that the old system we had was obsolete, and was properly thrown out, Mr. Chairman.

The present system of supply is not satisfactory to the government. The government would like to see substantial changes. The government feels that the opportunities the opposition has had to cross-examine in respect of estimates, both in the committees and in the House, have not been exploited to the full. It is our feeling that the 25 allotted days the opposition has now have not been utilized to the fullest extent, particularly in cross-examining on the estimates. They have been used for other purposes, not in opposition to the rules, but it seems that members of the opposition have had the opportunity within their grasp to focus more clearly on government spending if they had chosen to use the opportunity.

After the estimates are returned to the House on May 31 there are up to 13 opposition days at the disposal of the opposition during the month of June. Do we see the members of the opposition bringing forth departmental estimates for discussion in the House of Commons? I suggest the answer is that we do not. Do we hear the opposition members coming forward and saying they agree to a special order in respect of the Committee of the Whole so they can bring these departmental extimates in here? I suggest we do not. Instead what we see is a never ending number of resolutions about this thing or that thing, all items of interest to the public, I am sure, but none that deal with supply.

Under the rules there are opportunities available to members of the opposition which they are not now using. If they were to think about the problem and come up with propositions I am sure the government would be more than prepared to go half way in accommodating them. They might suggest some kind of system to bring back to the floor of the House the estimates within the existing structure. I do not think I am saying anything new to members of the House of Commons because, obviously, this is the case stated by the present President of the Privy Council and his predecessor.

Let me deal with the matter of guidelines and the information the hon. member for Peace River mentioned and about which he is so concerned. I quite agree it has been 18 months since the guidelines were released to the House of Commons. They were referred to the Committee on Regulations and other Statutory Instruments, headed by an hon. member of the opposition and a member from the Senate. There was no consideration given during the last parliament to these guidelines which, as I say, were referred 18 months ago.

The point I am trying to make is that the government is prepared to do everything possible to co-operate with the committee. We are prepared to enter into negotiations with members of the opposition once the report is made. We want to ensure that members of parliament get all the information they require.

An hon. Member: You mean all the information that Keith Davey won't let us have.

Mr. Reid: We are prepared to do everything we can to see that this comes about, but you cannot fault the government for not having referred these guidelines to a committee of the House of Commons which had the power to hold hearings, to call ministers and other witnesses, and produce a report over a period of 18 months. That is why this will be on the order paper again, and that is why it will be referred again to committee.

The government has been prepared to move quicker on parliamentary reform than have members of the opposition in many cases. The last point I want to make relates to the pro forma speech by the hon. member for Peace River in which he commented about remarks of the President of the Treasury Board. If the argument is not made by that hon. member it is made by the hon. member for Yukon, but the argument is always made, and it is always that they have not had sufficient time. They always say they are under the guillotine, and that these estimates are

being forced down their throats. They always resent this very much.

Mr. Baldwin: You are right on.

Mr. Reid: Even when we had the good old days of the committee of supply opposition members still made the same speech. Nothing has changed. The point I am trying to make is that the circumstances may have changed but the argument has not. This is the same old gang with the same old thoughts.

What we obviously need is to work out some system so the estimates of government can be thoroughly investigated as quickly as possible. There must also at some time be an agreement to put the motion, however brutal that thought may be. This has always been the great problem, getting members on the other side to agree to put the motion. They have always had the concept that as long as they can spin out debate then nothing will happen. Then, of course, we are forced into the situation where some restraint has to be put on, and that has been the case in the past because of the mockery that has been made of supply procedures.

It seems to me that whatever new system of supply we come up with, we will still have to face up to the fact that at some point there has to be a decision. The government is the biggest spender of money and has the most people dependent upon it. We just cannot have a kind of system where things are left to the whims of a few people sitting in the House of Commons.

Members of parliament have a right to vote on these estimates. They have the right to vote against them, and they have the right to reduce them. If the present procedures are not adequate perhaps we should be looking for procedures to make sure their right is fully enshrined, so that if anybody feels he does not have the right this would set him straight.

I can recall the last time members of the opposition swiftly moved to cut into the estimates of a department. That was when they moved to cut out the expenditure of $19,000 in the estimates of Information Canada. The money had already been spent by that time. That is an indication of the opposition being able to cut out certain estimates. The power is there, but whether it is exercised is a matter for members on the other side to determine.

There is also the power on the part of members of committees to reduce estimates and to have these estimates come back in the form of a report. Members of a committee have the power to bring that report to the attention of the House of Commons. That has never been done, to my knowledge, in the manner prescribed by Standing Order 58 by any opposition member of any standing committee. I may not be completely correct on that because I believe once in a committee they went after the president of the CBC and reduced an item to $1 at the time the hon. member for Cochrane was chairman of the committee.

● (1630)

My own feeling is that the current procedures in dealing with supply, while an improvement over what we had before, can still be improved. I do not think we can look at the question of supply in isolation. I think it must be considered in relation to the over-all procedure of the House of Commons.

There is no secret about the fact that the workload of the House of Commons is increasing because of the amount of government legislation which is before the House. We have, therefore, limited time before us in the House to deal with matters of supply. These are very knotty problems, and it seems to me that if members opposite wish to bring back to the House the committee of supply, in addition to the 25 days now allotted to them under standing orders, then there must be a serious over-all attempt to speed up the legislative process.

We have not yet faced the basic problem that our workload is expanding while the time frame remains the same. We will have to make some very difficult decisions.

Mr. Stanfield: Mr. Chairman, I do not wish to spend very much time speaking about things referred to specifically by the hon. member for Kenora-Rainy River, except to say it has been my good fortune to serve as Leader of the Opposition in more than one legislature.

I notice here, as well as where I served before, that members on the government side who have never served in the opposition tend to have a certain glibness. I might even say they tend to have a certain arrogance. I know only one cure for this; that is for them to have the good fortune to spend a certain amount of time in the opposition.

I first came to this chamber in the fall of 1967. At that time the estimates came before the House, but there was a time limit. Having come from a legislature in which ministers had to answer questions if they hoped to get their estimates passed, and a legislature in which it was possible even for a small opposition to force a minister to give a satisfactory and full answer, and where the government really was responsible to the legislature and through the legislature to the people, it was very trying to come here and find that the ministers did not answer questions, and that there seemed to be absolutely no way to get ministers to answer questions.

I can recall being completely amazed when sitting here to notice that a minister would say he would take note of a question and then, when it suited him, he would get up and answer the question to which he chose to reply. No matter how unsatisfactory his answer may have been there was nothing the opposition could do about it under the rules as they existed. Today of course there is even less capacity for the opposition to make the minister really responsible.

The hon. member for Kenora-Rainy River spoke about the minister rather than the public servants being responsible. Of course that is true. The point I wish to make, however, which there is no need to belabour, is that we no longer have responsible government in this country.

Some hon. Members: Oh, oh!

Mr. Stanfield: Excuse me. Let me finish. We no longer have it in the sense that a minister must answer to this House. There is no way I know, at least in a majority parliament, for a minister to be made to respond in this

House. I wish members of this House and the people of the country to think about this.

I shall not argue this afternoon about the amount of the expenditures, to which the hon. member for Winnipeg North Centre referred. That is not my concern this afternoon. My concern is to emphasize that I was personally struck by the situation here, having come from a legislature in which a minister had to answer questions satisfactorily if he wished to get his estimates through. Dealing with supply is not just a matter of dealing with estimates.

The refusal of parliament to pass supply traditionally has been a weapon available to parliament. In the old days it was used against the King, and then in modern times against a minister. The hon. member for Kenora-Rainy River must get through his head the fact that it is not merely a matter of reducing estimates, although that might be important. The essence of consideration of supply is that really this is the moment of truth. That is what it used to be, and should be. That is the time when a minister really must answer to this House. In my time here a minister has not had to do this, and on very few occasions has done so. In that very real sense I say that we no longer have responsible government at the federal level in this country.

Mr. Sharp: That is nonsense.

Mr. Stanfield: If the minister had listened to what I said—

Mr. Sharp: I did carefully.

Mr. Stanfield: —he would have to agree with what I said, because there is no way under present circumstances in which a minister can be forced to give information to this House. A minister does not give information unless it suits his purpose.

In a sense I find myself in considerable agreement with the hon. member for Winnipeg North Centre although I do not know whether I would say he has necessarily put forward the right solution, that of bringing the estimates back to the House, since ministers did not give the information in the House except when it suited their convenience.

This is a very important question. I understand the concern of the government about getting more bills through the House, and so on. Although I understand this concern I would point out that there is a very important other side to the coin, which is that the system is not working. No one need kid himself. When I came here it was very apparent that a minister was not answerable to the House. He was not answerable then, and is not answerable now. There is no point in any one in this House pretending otherwise.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, when I asked if I might speak on the estimates I had no intention of becoming involved in the semantics of the rules. That is not my bag. Most of the remarks I had intended to make in reply to my hon. friend from Kenora-Rainy River were made more effectively than I could make them by the Leader of the Opposition.

I should like to remind the hon. member for Kenora-Rainy River that I served as a minister in a majority parliament, and at that time my Prime Minister, no matter what the provocation, insisted that I stay in the House on a particular day for as long as it took to give the minority every chance to protest. He held that the more vigorous the opposition might be, the more tolerant government should be in allowing it to protest. I do not believe the hon. member for Timiskaming is in the House at the present time, but I have taken his attack four times in the same speech, delivered four times on the same day. Perhaps I could remind the parliamentary secretary, who was not there at the time, that in those days the NDP only had eight members.

● (1640)

An hon. Member: Good old days.

Mr. Hamilton (Qu'Appelle-Moose Mountain): And the official opposition had less than 50. Those eight members in the NDP would get together and plan their two or three days' attack on the estimates, and they did more to stand the government on its head than did the less than 50 Liberals because they understood the pressure that could be put on a minister who had to stay here until they were satisfied. One of the reasons why the government from 1958 to 1962 was one of the best governments in this country was the calibre of the intelligent opposition we got from the NDP.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I pay them that tribute to illustrate a point.

I have been back now in the House for two years, and I confess that I am seriously ashamed and shocked that even though I try to be constructive on occasions and not always partisan I have been in committees where we tried to obtain information from ministers and their officials, but where the Liberals, of whom there were only eight, were not contributing anything much in particular yet each took his full ten minutes so as to make sure we did not have time to ask our questions. This is not a violent statement of prejudice. Now that they have the majority I see the difference already. All that the members on the Liberal side do at the meetings which I have attended in the last two weeks is to vote against us.

Naturally we are going to accept the offer of the parliamentary secretary, the hon. member for Kenora-Rainy River. We do have to try, because we are all good Canadians, to find how we can make it work a little better. I do not foresee bringing all the departments here, and keeping them here indefinitely until the opposition is satisfied, but I would suggest, as a non expert, that if we had in the opposition the right to pick two or three departments, and the government ministers did not know which were going to be picked, then all the ministers would be a little more willing to reply. If we had the right to pick the worst offenders, we would be able to straighten things out. It would not be perfect, but it would help.

We want to try to make parliament work better. Certainly the rules were bad in my day, but they are worse today. That is the point.

As an example of the other type of abuse of the estimates let me make use of the right of members of parliament to ask questions on specific details. If I could attract the attention of the President of the Treasury Board for a minute, I have a specific question to ask him. When the estimates are prepared on supplementaries, has the custom changed, namely, that these estimates are a true indication of the estimated cost of the item for the fiscal year named on the cover of the estimates?

[*Translation*]

Mr. Chrétien: The answer is yes, Mr. Chairman.

[*English*]

Mr. Hamilton (Qu'Appelle-Moose Mountain): The minister says yes. That is where I think I can demonstrate to him that we can serve this parliament and country well. If we turn to page 6 of the supplementary estimates for Energy, Mines and Resources, we note that there are two supplementary estimates. Vote 11a is for $470 million. In committee we questioned the minister and found that this item was up to the end of October, and that we did not have the information we required for the approval of that estimate in the committee.

But in questioning the minister, and from his own opening statement, we find that Vote 52a for $330 million only covers the months of November and December. Therefore my submission to the minister is that this is not a true reflection of the cost, and that parliament and the people should be told what will be paid in the forum of this subsidy for oil in eastern Ontario, Quebec and the Maritimes.

This parliament, before it can vote these estimates sincerely and honestly, must know that there is another estimate of approximately $300 million, if not $400 million. I will not quarrel as to whether or not this is the exact figure. The fact is that these estimates do not cover the full fiscal year. Purely on the grounds of a technical error or, as the hon. member for Peace River would say, sloppiness, we are not getting a true estimate.

Naturally one asks why this is so, and the rationalization given to us in committee was that this whole subsidy has no legal basis. Therefore, since they are acting illegally in collecting this money, they did not want this illegality to last too long. They hope, some time in this parliament, to get a bill passed that would legalize the illegal act. I suggest that once you lose your virginity, the time factor is unimportant.

I ask the minister this question: will he consider, in consultation with his officials—because members of the opposition have no right to do this—whether the estimate now before this House, before these three days are over, could be raised to something approaching more closely the real estimate of the cost that the people of Canada will have to put up for this subsidy. I suggest, using the information with which the minister has provided us, that the subsidy to the eastern people is costing us $100 million a month. If we add another $300 million we will have a more accurate estimate. Can the minister tell us whether it is possible to make this change?

Mr. Chrétien: Mr. Chairman, I would like to reply to the honourable member in clarification of that item. I referred to this problem in my presentation. Of course in the supplementary estimates I have tried to cover the months of November and December. It is because this process of transferring money for the export of oil to the eastern consumer has been debated in the House a long time ago. The bill was introduced in the House, but was not passed because of the election. Now we are in October. We started the session only a few weeks ago. At the start we had the debate on the Speech from the Throne. To be honest, we do not know when the bill will be passed. We have made a guess, but we cannot take into account all the factors.

Normally, this bill should be passed by the end of the year, but as we wanted to have the authority to spend that money before the end of the year we put that in the supplementary estimates so that, before we make the expenditure, members of the House will have the occasion to debate it and vote on it. If those estimates are passed by the end of this week the House will have authorized the government to pay the subsidy to the eastern consumers until the end of the year. We hope that by that time the Minister of Energy, Mines and Resources will have received approval through the passage of the legislation in the House.

If the House turns down the legislation, it will mean that at the end of the year there will be no more authority to pay the subsidy. We are not trying to mislead anyone. On the contrary, we are making sure that hon. members are aware of the fact that those payments will be made in November and December.

● (1650)

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I think we have joined issue fairly on this item. My point is that the government has no right in the first instance to assume that parliament will pass this legislation before Christmas. The government knows that all parties have supported the principle of this subsidy. We are not quarrelling about the fact that they are doing this illegally because of the circumstances. We are saying that the proper presentation to the House and to the country of supplementary estimates A, and the calculation of the estimated cost, whether done legally or illegally, is not the point. It should be the amount you expect to spend by the end of the fiscal year, not the calendar year.

I am raising this point for the experts because I do not consider myself an expert. I recall that when I sat in Treasury Board we always hounded the departments to be precise in their estimates. If a minister brought before Treasury Board estimates for eight or nine months, he was sent back. I am really asking the minister if he would not agree that to add $400 million would be more honest estimating and more honest reporting to the House. The media should be able to report to the country that this program is going to cost $1,200 million, not $800 million. This matter is put forward without any desire on my part to make political hay, but just in a desire for honest reporting. If the officials can find a way to do it, let them be a little more honest in reporting their estimates.

Mr. Chrétien: Mr. Chairman, I should like to look into that question. I have been very candid and explained why we did this. We could have estimated up to the end of the fiscal year, but we took a calculated risk that the bill

would be passed by the end of the year and we did not want to presume too much regarding the content of the bill. It was and I regret to use the term, a conservative estimate and we tried not to prejudge what the House would do. The point made by the hon. member is a good one, and perhaps we should forecast for the total fiscal year. I wanted to be as honest as possible with the House. I did not want to hide anything; I wanted the judgment of the House when members voted on the bill.

The Chairman: Order, please. At this time I should like to seek direction from members of the committee. It was suggested that the time allocated to the consideration of the estimates of the Department of the Treasury Board should be a maximum of an hour and a half. Three or four members are standing, seeking to speak. Much time has been spent in general debate on the question of past and future procedures for the study of supply, so I would invite comments from hon. members on how the Chair should proceed at this time. Should we close this debate, and proceed to another item?

Mr. Baldwin: Mr. Chairman, possibly there are a few comments to be made and questions to be asked. The committee might consider allowing this department's estimates to continue to not later than 5.30. That would leave three hours for consideration of the estimates of the Department of Transport. I know the minister is most anxious to get started.

Mr. Sharp: Mr. Chairman, I would go along with the suggestion of the hon. member for Peace River. To a large extent, these proceedings are in the hands of the opposition. It was their suggestion that time be allocated to the departments, and if they would like to have less time for the Department of Transport, and more for Treasury Board, I am sure we will be satisfied.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, since we are operating on the basis of an agreement and not a fixed order, obviously we have to be a bit flexible. My colleagues and I would rather move to Transport now, but we will accept, say, 5.20. That is, if this department is not finished by 5.20, we will move on to Transport.

[*Translation*]

Mr. Fortin: Mr. Chairman, on the same point of order, as the previous speakers pointed out, it is not a rigid regulation. It is rather an amicable arrangement. I think I will support the proposition made by the hon. member for Winnipeg North Centre (Mr. Knowles) with the hope that the President of the Privy Council may accept it. Mr. Chairman, I take this opportunity, still on that same point of order, to say to the parliamentary secretary that if what he said a few moments ago about the opposition was true, Mr. Chairman, we would have answered no a long time ago.

[*English*]

The Chairman: We are proceeding under an agreement, and this makes it a little more difficult for the Chair to meet the objective of 5.20 or 5.30. Hon. members, of course, could cut short their speeches or questioning so that as many members as possible could participate.

Mr. Jones: Mr. Chairman, I rise on a question of privilege. I do not know what the agreement is that hon. members are speaking of, but I was not privy to it. I think I have as much right as anyone else in this committee to speak and to be heard. I am getting a little fed up, because I come into the House day after day and find that the party "wheels" and party whips have got together and made some sort of agreement. I represent a good many constituents in the province of New Brunswick, and I desire to be heard and I hope to be heard.

An hon. Member: Go ahead.

Mr. Jones: I do not belong to any of the standing committees and therefore do not have an opportunity to speak in those committees, so I want to be heard in this House and in committee of the whole.

The Chairman: I note that the hon. member, like other hon. members, rose and participated in this debate. Some hon. members have not yet been recognized. It is the prerogative of the Chair to call on hon. members one at a time; two members cannot speak at the same time. We have to proceed in an orderly way in committee of the whole and in the House. The hon. member for Burnaby-Richmond-Delta.

Mr. Reynolds: Mr. Chairman, I had not planned to speak at this point in the proceedings, but when the hon. member for Kenora-Rainy River made his eloquent speech I thought we had, suddenly, a TV camera in the House. The hon. member said the opposition has the right to vote on estimates, to vote against them or to reduce them; but, Mr.Chairman, hon. members on this side of the House do not always have a chance to get answers in committee.

The other night I had the misfortune of attending a committee meeting on supply and services when the minister was sick. I understand he is still sick. However, he was represented at the committee by his deputy minister. The president of two corporations was before the committee—Canadian Arsenals Corporation and Canadian Commercial Corporation. I agree that if we had been given proper information and our questions had been answered, we would have no reason to raise these matters in this chamber. I think the hon. member for Kenora-Rainy River should make the same admission as some members of his party who were at the committee: they were ashamed of the answers we were getting. The president of Canadian Commercial Corporation could not tell us the names of the ten major companies with whom he dealt, and as president of Canadian Arsenals Corporation—it is the same gentleman—he could not answer all the questions we asked. In fact, he could not answer any. I made a motion which even the Liberals supported, that we demand this information.

I think the government should make sure that the civil servants who come to committees are prepared to answer the questions of the opposition. I think if any government member or any minister went through the report of that committee meeting he would not find one question that was unfair. Every question was legitimate. Canadian Arsenals Corporation has been losing money for a year. Although it employs 500 people, it is costing the Canadian taxpayer $3½ million. Therefore, the Canadian people have a right to know what that company does in its

operations. The hon. member for Kenora-Rainy River shakes his head. We could not get answers.

● (1700)

I am standing here now taking up time of this committee, which I did not plan to do. I have to do it because I listened to what the hon. member said, which sort of indicated he is white and we are all black. I do not think that is quite the way it is. If he is looking for co-operation, he should make sure we get the answers we want. He should also make sure that the people who appear before the committee have the answers we want. Members on this side of the House would then co-operate with members on the other side and make sure government business is handled quickly.

Mr. Francis: Mr. Chairman, like other members, I did not intend to intervene. This has been a very useful debate on how estimates are handled. I understand that in the British parliament and in other parliaments they have almost given up on the estimates. I believe in many cases the estimates are tabled. That is an abdication of the responsibility of parliament. There is legitimate concern on the part of members of the opposition who have expressed their point of view about their ability to deal with the estimates. The difficulty lies in the fact that as far as estimates are concerned, the committee system is not functioning the way it should. The chairmen of committees should call more frequent meetings to deal with specific situations. The time given to committees has not been adequate to deal with the witnesses brought before them. Hon. members of this House, myself included, have not been adequately prepared when going to committee meetings. We have not been prepared to the extent necessary in order to make the examination that it is our obligation to make.

The reform of the procedures of this House wherein we abolished the committee of supply was, on balance of consideration by hon. members, a good move. The rules provide for better use of our opportunities of examination. However, there is an obligation on all of us who are members of committees to make sure that meetings are more frequent and to make better use of the time allocated for witnesses and civil servants who are called before committees. If there were less waste of time and more efficient and adequate opportunity, we would carry out the kind of examination that I am sure we in conscience feel we should.

Mr. Stevens: Mr. Chairman, I wish to direct some questions to the President of the Treasury Board. When the President of the Treasury Board appeared before the miscellaneous estimates committee and answered questions, I tried to get some rationale from him as to the formula used by the government to control increasing expenditures at the federal level. At that time he said the goal of the government is that total federal expenditures in relation to the gross national product should be relatively the same. He then said they have been relatively the same, and gave certain figures. For example, government expenditures in 1972 represented 15 per cent of the gross national product. He also referred to certain other years. I pressed the minister on that point and said I understood the figure was more like 20 per cent. I gave him some figures. Then there was general agreement that he would supply a table, which would be appended to the minutes of the committee meeting, setting out his figures.

That table has just appeared. It seems to seriously misrepresent the government's position and I take great exception to the way the table is set out. For example, it shows 1973 total government expenditures, and then in small type, "exclusive of transfers to other governments, at $17,595,000,000". Surely the President of the Treasury Board knows that the estimates being considered at the present time are $24 billion.

There is no explanation whatsoever for that figure. The various percentage figures are shown. However, when they come down to provincial and municipal figures, an entirely different presentation is made. The impression left is that federal government expenditures, before all transfers, are much lower in reality when compared to the provinces that are shown. I would like the President of the Treasury Board to explain why they have to practice such deceit.

Mr. Chrétien: Mr. Chairman, I wish to reply to the argument of the hon. member. When I appeared before the committee I tabled the information which I had. I did not want to mislead anyone. I offered not only what I was stating, but the table that I had in front of me. One can, of course, argue what is and what is not a real government expenditure. Sometimes in the total expenditures of the three levels of government there could be double accounting. I wanted to make sure that did not happen. I am not an accountant, but I know what is a double entry. If we take $1 billion from the taxpayers at the federal level and transfer it to the provincial government, it is the same money; it is not new money. One sees the same $1 billion in our expenditures and in the books of the various provinces. It is not a new expenditure that must be taken into account.

I would like the hon. member for York-Simcoe to tell me if I am wrong when I try to explain to the people—and the people have the right to know—that in relation to the gross national product of this country, total federal expenditures has not increased over the last ten years.

Mr. Stevens: Wrong.

Mr. Chrétien: The hon. member can say it is wrong, but I have given the table to the House. That is his opinion. However, most of the increase in public expenditures at this time has occurred at the provincial level. Many expenditures of the government are often transfer payments to the provinces to help them fulfil their obligations. It is important that the public knows that the federal government transfers money. However, it is not right if the taxpayer believes that twice the amount of money is being spent, when in fact it is just being transferred to the provincial governments. The public is given the wrong impression when that is included as double accounting. I have tried to explain that. Of course, the hon. member is at liberty to disagree with me. Sometimes I am very happy when a member like him disagrees with me. However, we must state the facts.

If you exclude the transfer of payments from the expenditures of the federal government to date, they are no

higher than 12 years ago when related to the gross national product. In addition, we must look at the number of new services that we have given to the public. The public should realize that. That is why I have given these figures. I am surprised that the hon. member is not repeating the figures I gave in relation to what was the consideration in 1961-62 when the take of the federal government from the taxpayer, in relation to the gross national product, was higher than it is today, despite the fact that we have introduced new programs. We have tripled family allowances, we have new programs for old age security, health services and other services for which the people of Canada are very appreciative. Despite that, the take of the gross national product is no higher at the present time.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Chairman, it is in the interests of this committee that we get the facts. I am referring to total government expenditures before all transfers. Does the minister agree it is approximately $24 billion and that that is something in excess of 20 per cent of our gross national product?

● (1710)

Mr. Chrétien: I have the table here. Total federal government expenditure, including transport, is $22.4 billion—18.8 per cent of the gross national product. That compares with $7.1 million and 18.1 per cent in 1961 at a time when there was no medicare, no health services, no family allowances at the level we have now. So I think that for one-seventh of one per cent of the GNP we have done very well in the last ten years.

Some hon. Members: Hear, hear!

Mr. Stevens: Does the minister not think, then—

The Chairman: Order. The minister and the hon. member are in disagreement, but because of the limitation on our time I think I should call on other members. There are only seven minutes left.

Mr. Stevens: I understood one could speak for a 20 minute period, or ask questions for a 20 minute period.

The Chairman: The order says members would be allowed to speak once for 20 minutes once. This would not exclude the asking of questions. But as hon. members know, the debate has been twofold, it has been on the general question of supply, and we have already taken a good deal of the time which should have been allotted for the consideration of the Minister's estimates. The Chair cannot control what hon. members say, and when I suggested that the time allotted to this particular phase of the debate be extended, it was in order to allow as many members as possible to make comments on the minister's estimates or to ask questions.

If we pursue a line of questioning between the minister and the hon. member because they base their arguments on different figures or have different points of view, the time allotted to this portion of the debate will be used up. That is why I thought it would be fair to call on other hon. members. If there are a few minutes left at the end we may come back to the hon. member for York-Simcoe.

Estimates

Mr. Jones: Mr. Chairman, it is not my intention to get into this disease of verbosity on inflation which has been rendered here this afternoon. I have three questions I wish to direct to the President of the Treasury Board. On page 29 of Schedule A there is an item which reads: "contingencies, $90 million dollars." Then, in small print, it says:

—and authority to re-use any sums allotted for non-paylist requirements and repaid to this appropriation from other appropriations.

I should like an explanation of what that means.

My second question concerns an item on the same page under "public service bilingualism." I should like to know whether this represents the total cost of bilingualism in the public service and agencies of government and, in particular, whether it includes the amount voted for the Commissioner of Official Languages.

The third question I should like to ask concerns employer contributions to employee pension programs. How much of this is for the Canada Pension Plan and how much for the Quebec Pension Plan? I thought those were the type of questions we should be asking at this time, Mr. Chairman, and I will appreciate specific answers to the specific points I have raised.

Mr. Chrétien: I will give the hon. member some specific answers. First, when we take money from the contingency vote in the fiscal year for one department, as the time comes for supplementary estimates we put that amount into the supplementary estimates so that hon. members may have the chance to comment and vote on the expenditure which has been made. As to the second question, the answer is, no. Not all the costs are included. I think it will take a couple of minutes to get the answer to the hon. member's third question. I will give it to the hon. member later in our discussion.

Mr. McKinley: Could the minister tell us whether last summer a directive was sent by Treasury Board to all government departments to the effect that no federal property should be offered for sale in any circumstances? Does this apply even to buildings which are not being used, and which are not likely to be used by the government in the foreseeable future. I am thinking, for example, of post offices in towns in which new post offices have been constructed.

Mr. Chrétien: The policy is this: when a building is not used by the government it is turned over to the Department of Public Works to determine what kind of use the government might have for it in the future. If the department finds there is nobody within the government who has any use for the building, I believe it is turned over to the Crown Assets Disposal Corporation for disposal. Until the Department of Public Works has determined the government has no other use for the building, it is not prudent for the government to sell it, since it might well be needed for another operation.

Mr. McKinley: This does not appear to be the performance that is taking place in Exeter. The answer the minister has given me saying the building would be offered to other government departments is not adequate in this case, because an offer has been made to lease to the town a building in which the town is interested. However, the

town wishes to purchase the building. Possibly the minister could obtain a further answer for me later.

Mr. Chrétien: Yes, I think the hon. member might be able to get an answer later from the Minister of Public Works, who will be presenting his estimates in due course.

Mr. Stevens: Perhaps I might turn to another part of the minister's testimony before the committee. I asked him to what extent had provision been made in the accounting for the promises which had been made during the Liberal election campaign. The President of the Privy Council replied:

I think we will only implement $10 million in new money for that out of a budget of $22 billion.

Will the minister give us details about this $10 million?

Mr. Chrétien: What I said at the time was that only $10 million had been approved for new programs up to that date. The amount of $10 million had been allocated to certain programs which had been mentioned by the Minister of State for Urban Affairs during the campaign.

● (1720)

The political party of which I am a member has made other promises and the government will implement them in due course. We have stated that we will do this and that, and take four years to live up to our mandate. We have said: "Don't worry about it, we will live up to our obligations".

[*Translation*]

The Chairman: Order, please. We have reached, and even gone beyond 5.20, and I wonder if the hon. minister is ready to answer the question put by the hon. member for Moncton (Mr. Jones)?

Mr. Chrétien: With the House's consent, Mr. Chairman, I would like to give an answer to the third point in the question put by the hon. member for Moncton (Mr. Jones), relating to the contribution to the federal government pension plan and to the Quebec provincial pension plan. I must say that we do not have any information on the subject and consequently we cannot say how much money has been contributed to the province of Quebec and how much money has been contributed to the Canada Pension Plan general funds; but what we can say is that the total for the 1974-75 fiscal year is about $32 million. The hon. member can find the details page 28.

[*English*]

The Chairman: Order, please. Having reached 5.20 o'clock in the afternoon this should complete consideration of the estimates of the Department of Treasury Board. The committee will now proceed to the consideration of the estimates of the Minister of Transport, to be found at pages 25, 26, 27 and 28 of the bill.

Mr. Reid: Mr. Chairman, on a point of order, when the hon. member for Moncton spoke earlier he made reference to the fact that he was not permitted to participate in committee hearings. It is my understanding that the standing orders provide that any member of the House of Commons may participate in any committee hearings, though he may not be formally a member of the committee. He has the right to question and to participate as much as any other member, but he does not, however, have the right to vote. But, as I say, he does have the right to participate in the deliberations of the committee.

[Mr. McKinley.]

The Chairman: I can only answer for the committee of the whole.

Mr. Jones: On a question of privilege, Mr. Chairman, the parliamentary secretary had better get things straight. I am as much a member of parliament as he is, and I should have as much right to be a member of a standing committee as he. I do not sit here as a member of the opposition or as a member of the government, but I am a member of parliament, and I want to make that point clear.

The Chairman: Order, please. I thank the hon. member for his contribution but I do not think that this is the time to make any decision on his grievance. He should raise it in the proper form when the House is sitting and the Speaker is in the chair.

On Schedule A—Transport.

[*Translation*]

The Chairman: Order. The committee will now proceed to the consideration of the estimates found in Schedule A of the bill on pages 25, 26, 27 and 28.

Mr. Marchand (Langelier): Mr. Chairman, I believe that after all the discussions and questions we have now had in the House, I am ready to answer, with the help of the officials of the Department of Transport, the question hon. members wish to ask with regard to the estimates of that department. I therefore need not make a speech: I would doubtless repeat what I will say during the debate on those estimates. I am therefore at the service of the House to answer questions.

[*English*]

Mr. MacKay: Mr. Chairman, I will try to emulate the minister and not make a speech. I should like to make a few remarks for four or five minutes, and save some of my time for later and for my hon. friends. It is with a great deal of respect that I say that in the more than 90 days since July 8 we have seen encompassed therein not a 90 day decision period, as the late Prime Minister Lester B. Pearson once promised, but 90 days of indecision. Nowhere has this been more clearly manifested than in the Department of Transport. Commitments made by the minister and his predecessor dating back to the twenty-eighth parliament have not yet been kept, and promises and undertakings, proclaimed with much fanfare during the recent election campaign this summer, have so far amounted to nothing.

This vast, sprawling Department of Transport—again I say this with respect—runs the minister; the minister does not run the department. I think this is a regrettable situation. We in the official opposition favour certain definite policies designed to improve the Canadian transportation system and which we believe are necessary clearly to establish and assert the authority of the minister. We should like to see the minister take some initiatives to

exert his authority, which we believe he has pursuant to legislation that already exists.

I refer the minister to a statement made by the President of the Canadian Transportation Commission at our most recent meeting of the Standing Committee on Transport and Communications. He said that he agreed that, pursuant to section 50 of the National Transportation Act, the minister could, if he wished, use the CTC as an instrument to direct the railways to change some of the unsatisfactory practices that now exist.

Mr. De Bané: Mr. Chairman, on a point of order, the hon. member referred to the testimony of the President of the CTC. Would he please be kind enough to quote the page, because I did not understand him to say exactly what the hon. member said.

Mr. MacKay: Unfortunately, Mr. Chairman, I do not have, nor do I believe exist, the minutes of that meeting. I do not wish to be unfair in this regard, and perhaps I have misquoted what the president said. I checked with my hon. friend from Regina-Lake Centre a few moments ago to see whether my information was correct, and he seemed to agree.

I only wish to point out, Mr. Chairman, that it is my understanding that parliament has provided several ordinary standards of efficiency that a railway ought to meet. For example, the Railway Act requires that a railway company shall, according to its powers, without delay and with due care and diligence, receive, carry and deliver all traffic offered for carriage on the railway. That provision is in section 262(1)(c) of the act. There are other sections, for example section 265(1) and (2), which require that a railway company shall, according to its powers, afford to all persons and companies all reasonable and proper facilities for the receiving, forwarding and delivery of traffic.

● (1730)

These requirements or conditions are mandatory and if the railway does not meet them it is derogatory in its duty. It is pursuant to this type of reasoning that the power of the minister, under Section 48 of the Transportation Act, provides that the commission shall upon the request of the minister inquire into, hear and determine any matter or thing that under the Railway Act it may inquire into, hear and determine.

I would take the minister one step further, again back to Section 50 of the Transportation Act, and say that the government in council having decided on its own motion that the railway is insufficient or unsafe, from some point of view or other, has the power under the act to refer that insufficiency to the commission for action, and the commission must comply immediately with the government's reference. I only bring this forward to express the hope, in a constructive way, that the minister will explore the options available to him under the existing legislation.

Going back to March 14, 1972, the minister's predecessor, the present Minister of Regional Economic Expansion, made a commitment that he would be bringing in important legislation, among other things designed to reconstitute Air Canada as a separate Crown corporation, divorcing it as it were from the CNR, and introducing a Canadian National Railways Act, and other legislation covering the Railway Act. This was promised in the twenty-eighth parliament and it has not been done as yet. I suggest to the minister that for that reason he can hardly blame us for being a little skeptical. That is why I put this suggestion forward at this time. If he is not going to bring forward some new initiatives he should at least explore the options he has open to him.

I think the minister should, as a major initiative, try to improve labour relations and encourage discussions between labour and management under the auspices of the Department of Labour. I know he will have read the story in today's *Globe and Mail* under the heading "Rail unions bargaining may produce 1975 formula for settlements". The article goes on to refer to improved labour negotiations in transportation in the upcoming year, and refers also to airlines. I suggest that the minister should work toward this objective. He should seriously explore the objective of having labour contracts for our two major railways expire at different times. This would help to avoid national paralysis at times of labour disputes in this industry.

I believe the minister should work seriously toward establishing Crown agencies, divorced from the CNR system, to operate the ferry services to our island provinces. We would not then get into the same type of problem we have experienced during times of national disruption of our rail service.

I would also suggest to the minister in the context of these estimates that, in the interest of increased transportation, safety, and free dissemination of information, he should insist that in any accident investigation carried out by the CTC, the minister's department or other investigative bodies, the results should be accessible to the public. This has not always been done, but I think the minister agrees it should be done.

I notice that the latest information dated October 21, the federal-provincial ministers' communiqué on western transportation initiatives, relates that the minister also stated this would be followed at a later stage by an information act that would seek to make available the broader range of transportation information that is needed to plan and realize Canada's transportation needs.

I would hope that the minister in this context will try to make certain that the activities of our Crown corporations are more accessible to the public, including the specific duties and responsibilities of officials employed therein. I make these suggestions in all good faith to the minister.

I should now like to ask the minister a few questions through you, Mr. Chairman. My first questions concern the STOL program, and I would refer to the statement the minister made to the standing committee in April of this year. The minister said there was $15.5 million budgeted for the buying of aircraft and for the STOL operation in Montreal and Ottawa. I believe there has been an increase of about $10 million, bringing that to the level of about $25 million. I realize these are only approximate figures.

I am troubled by the allegation, as I think the minister is as well, of Mr. Ian D. Sinclair, Chairman of Canadian Pacific, in which he forecast a higher level of expenditure, claiming that if all the costs of the STOL operation are considered the total cost would be $158 million, not $25

million as government spokesmen have contended. I would like to stop now and ask the minister to tell us briefly by how much Mr. Sinclair's estimate is in error.

Mr. Marchand (Langelier): $125 million.

Mr. MacKay: The minister is then saying that there is absolutely no relevance or accuracy in that estimate of $158 million. I thank the minister for that answer. I should now like to ask him some questions about marine transportation. The minister has been quoted as being in favour of a Canadian merchant marine, or the restoration of the same. Can he tell us whether his department is considering seriously the establishment of a Canadian deep sea merchant fleet as requested by many shipping concerns and, in the labour movement, by the Seafarers' International Union?

In the context of that question I should like to ask the minister to comment on the action of the CPR in the commissioning of seven large ships to be constructed in Japan, and registered outside Canada in order to avoid Canadian taxes and the hiring of Canadian seamen. Is the minister aware that these ships are engaged in the transportation of Canadian natural resources, which probably helped pay for their construction in the first place?

[*Translation*]

Mr. Marchand (Langelier): Mr. Chairman, we are at grips with a problem here. The hon. member might perhaps tell me exactly what the situation is. The shipyards have now received orders for the construction of a large number of ships.

Some of them, such as Davie Shipbuilding Limited and Marine Industries Limited of Sorel, and probably several others, have contract for years to come. Even if Canadian Pacific were to decide tomorrow to award a contract, let us say, to Marine Industries Limited, it could not expect to have it completed before three or four years.

The problem for shipyards throughout the world in the last few years has been the large number of contracts.

[*English*]

Why do we have as many contracts in our shipbuilding yards in Canada? I suggest it is because all the shipyards in the world are operating at full capacity and they cannot fulfil any new orders. Unless the hon. member can prove that CP has done this because it wanted to discriminate against Canadian shipyards, I can only believe it has done so because it could not have the ships built in Canadian shipyards.

Mr. MacKay: That may well be the case, and I thank the minister for his answer. I know of one or two shipyards that are perhaps not capable of building as large a vessel as CP requires, but they would be very glad of some government assistance in upgrading their facilities and their capabilities. The minister will have to look into this aspect as well if he is serious about increasing our capability in the merchant marine field.

I have a related question which I put to the minister at a recent committee meeting. I would like to ask him about the terms of reference and the appointment of Mr. Desjardins, pursuant to Section 14(5) of the Pilotage Act, to enquire into the Laurentian Pilotage Authority. Now that the minister has had an opportunity to consider this, would he indicate why the terms of reference or conditions read as they do, and indicate whether that is the case common to commissions of this type, or for some reason is this unique?

● (1740)

I refer to two conditions. The first is subclause 2 of the terms of reference. It states that Mr. Desjardins shall not be subject to the customary rules of evidence, nor need evidence be taken under oath. The second is that the investigation shall not be conducted by means of public hearings but, on the contrary, through the investigation and examination of those persons whom the said investigator deems possessed of evidence relevant to the subject matter whose evidence should be examined in the public interest.

This may be very innocuous, Mr. Chairman, but the terms of reference in respect of this particular appointment trouble me. I also wonder why a similar investigation of the pilotage authority was commissioned to Mr. A. F. Marler, whose report was received on December 31, 1973, I believe. Can the minister tell me why it was necessary to have two reports dealing with the same subject in such a comparatively short period of time? Could he also tell me whether or not he has decided to issue publicly the Desjardins report?

Mr. Marchand (Langelier): Well, as you know, the Desjardins report was not made under the Inquiries Act of Canada. Mr. Desjardins was asked by the Minister of Transport to prepare a report on the problem of language on the St. Lawrence River. This is the report we have. One might ask why this inquiry was not carried out in a different manner, or why a royal commission inquiry was not made into this matter. That would be an acceptable question. However, for the time being what we intended was to ask Mr. Desjardins to see what would be the impact of using both languages on the St. Lawrence River so far as pilotage and the duties of masters are concerned. This is the report we have.

Mr. MacKay: Mr. Chairman, I thank the minister for that answer. Perhaps I might return to another part of my question. I may be making too much out of the terms of reference of the investigation. It could be that this is a common thing. However, I still would like to know why Mr. Desjardins was directed to carry out the inquiry and waive the customary rules of evidence, including the requirement to swear in witnesses.

I would point out to the minister that although this is not under the Inquiries Act, as he rightfully pointed out, I believe it comes under the next section in the Pilotage Act, section 14(6), where it is specifically stated that in an inquiry such as that of Mr. Desjardins there are all the powers, pursuant to the Pilotage Act, which one finds in the Inquiries Act. For example, was this requirement exercised in respect of the Marler report, which I presume deals with the same subject matter? Perhaps the minister does not have that information handy.

Mr. Marchand (Langelier): No. I would like the hon. member to tell us whether he believes there are any shortcomings in respect of the mandate Mr. Desjardins

received. For instance, had he received another mandate would it be possible that there would be more light on the subject that was discussed? This is the only question. We do not mind under which act he functioned. Mr. Desjardins studied the problem of security of navigation on the St. Lawrence River. He produced a certain amount of testimony, which is very well specified in his report. I think what the hon. member should ask me is whether I am satisfied with that report, or whether we might have learned more had we used another means of inquiry.

Mr. MacKay: Mr. Chairman, through you to the minister, may I say I am intrigued by this precisely for the reason I am unable to obtain information. Perhaps the minister will remember that a short time ago, after this parliament opened, he indicated he had the Desjardins report on his desk. Since it was so difficult to obtain I became interested in it because I understood it would be made available.

Before the standing committee the minister indicated that the Desjardins report would be made public, but I believe the minister was in error because he said later the same afternoon that there was not in fact a public release of the Desjardins report. I would like to make some constructive suggestions but I find it difficult to do so since I have not received a copy of the report.

As a lawyer I am bothered by the fact that any person who is to conduct an inquiry should be specifically forbidden to do certain things. For instance, I refer to the section which states that the investigation shall not be subject to the customary rules of evidence, nor need evidence be taken under oath. I do not think that is a very healthy type of prohibition in respect of anyone conducting an inquiry, particularly an inquiry into such an important subject as this. I do not wish to belabour the subject further because I know in due course I will receive answers and that the report will be released.

If I may, I should like to ask the minister whether he will seriously consider splitting off Air Canada from its financial inter-directorate dependency on the CNR? Does the minister have this in mind?

Mr. Marchand (Langelier): Yes. However, Mr. Chairman, I wonder if we should keep on the first aspect of this question. What is your problem? Is it the fact that you do not have the report?

An hon. Member: This is not his problem. It is your problem. You are the minister.

Mr. Marchand (Langelier): I merely wish to understand exactly what the hon. member wants. If the only problem is that he wishes to have the report, then I do not think I could refuse circulation of the report. Once he had that report he could ask his questions. Would that be all right? Now perhaps we might switch to the other point. What about Air Canada?

Mr. MacKay: Is it your intention to split Air Canada from its dependency on the CNR?

Mr. Marchand (Langelier): That is a very important question. I am ready to discuss that, either in the committee or in the House. If one were to ask my opinion I would say that, personally, I would like to see Air Canada one day disassociated from the CNR. However, at the present time it is not. Would this be a good thing? I would like to have your opinion on that. My own view is that I would like Air Canada to be separated from the CNR.

Mr. MacKay: Mr. Chairman—

The Deputy Chairman: Order, please. I regret to interrupt the hon. member for Central Nova but the time allotted him has expired. I shall now recognize the hon. member for Regina-Lake Centre.

● (1750)

Mr. Benjamin: There are a number of matters which I, and other members, would like the minister to explain, if he can do so this afternoon or tomorrow. I will repeat what I have said every year for six years. I wish there were a great deal more in the supplementary estimates and the main estimates each year so that the Canadian Pacific Railways, their subsidiary and ancillary operations, could be placed under public ownership to develop a publicly owned and operated air, ground and water transportation system which would in fact meet the needs of this country.

Similarly, we need more estimates to re-nationalize the CNR, especially when I read some of the remarks of the new president about making profits, etc. He sounds as bad as the president of CPR. This is another reason why we do not get the kind of service from our ground and air transportation systems to which the public is entitled.

In fact Canada and the U.S. are about the only two countries left in the world that are still hiding their heads in the sand and relying on the nineteenth century concept of private enterprise profit making transportation systems. Even the Minister of Transport has admitted—I am not saying that I will quote him directly but I think I am paraphrasing him reasonably accurately—that competition between railroads in Canada does not work. I could not agree more. It may work for railroads, but it does not work for Canada and its people.

While there may not be very much of anything in these supplementary estimates to start accomplishing the things I have mentioned, I hope that after what the minister and his predecessor have been through at the hands of our railway systems, our airlines and a few other transportation systems in Canada, he will now persuade his colleagues, and get the government behind a program to place our transportation systems under social ownership so as to meet the social and economic needs of the country.

There are also a few current matters that have presented problems in parts of Canada, and I know the minister has been conscientiously trying to deal with them. I may disagree with the methods he used, but at least I give him credit for trying to do something about them. He has not had too much success as yet. I am referring to such things as rail branch abandonment, freight rate freezes, and cost disclosures from the railroads, to name three of many items that have concerned both him, us, and several provinces for some years. I hope that after I sit down, shortly after eight o'clock, the minister will take a few minutes to try to bring all the members of the House up to date in these areas.

For example, if the minister will recall—and if not I will refresh his memory—I believe there was a public commitment from the minister in charge of the Canadian Wheat Board that no branch lines will be abandoned without the concurrence of the provincial government. However, I have the impression that the minister is now saying that no lines will be abandoned until suitable alternative arrangements have been made. I am sure there are at least three provinces which do not know which of the two is correct.

If the minister is correct, what does he mean by "suitable alternative arrangements"? Can he tell us about his meetings with his counterparts from the three or four western provinces in the past week in this regard? What is the federal position? Can we rely on the commitment we obtained prior to the election date? Will the minister consider extending the rail branch line freeze, at least until we get all the information that is needed from the railroads regarding their costs, and regarding the wishes of the users of the rail service along those branch lines, the farm and business organizations concerned, and the municipal and provincial governments concerned?

I agree that some rationalizing is needed, but not nearly as much as the railroads would like, and not nearly as much as the people who would like to get into the commercial trucking of grain would like. What progress is the minister making in this area? Will the freeze be lifted at the end of the year? How many lines are to be abandoned, and under what conditions? What kind of suitable rates does he envisage? What progress is he making in this whole area.

With regard to the freeze on the freight rates I should like to know from the minister how much money has been expended so far in compensating both railroads for the freight rates in the past 15 months, or for whatever length of time the freeze has been in effect. A figure has been given to me but I do not know whether it is accurate, and I should like the minister to tell us how much compensation has been paid to the two major railroads, whether any of it is in the supplementary estimates, and how much is in the new main estimates. I should like to know on what basis such compensation payments are made. Is it on the basis of a telephone call from Mr. Sinclair saying: "We need so much money to compensate us for the freight rates", or does the minister have accurate information regarding the necessary compensation to bring the railroads up at least to a break even point, if not a profit point, on the freight rates that were frozen?

I hope that a blank cheque has not been provided to the two major railways by way of compensation for the freight rates. Will the minister extend the freeze on freight rates? The freeze only affects rates on about 22 per cent of railway traffic, and there is a large area of other rates with which they have been having a ball.

Mr. Chairman, may I call it six o'clock?

The Deputy Chairman: It being 6 p.m. I do now leave the chair until eight this evening pursuant to a special order made on Thursday, October 3, 1974.

At six o'clock the committee took recess.

[Mr. Benjamin.]

AFTER RECESS

The committee resumed at 8 p.m.

Mr. McIsaac: Madam Chairman, I rise on a point of order. The Minister of Transport will be along in a few seconds. In the meantime, we could perhaps carry on.

The Assistant Deputy Chairman: Order, please. When the House rose at six o'clock, the committee was considering the estimates of the Department of Transport. The hon. member for Regina-Lake Centre.

Mr. Benjamin: Madam Chairman, I think the hon. member for Battleford-Kindersley is a great fellow, but even he does not measure up as a substitute for the Minister of Transport who we have been waiting to question for a number of days. At the time of the supper adjournment I was speaking about the freight rate freeze. I would ask the minister to spend ten minutes or so answering the questions that I put before six o'clock and those I am going to ask now, and to deal with some statements I intend to make.

● (2010)

I asked him before six o'clock what amount of compensation the government is paying to the railways as a result of the freight rate freeze. I want to know from the minister whether any compensation was paid during the freeze. The railways raised rates on commodities on which the rates were not frozen in excess of any justifiable increase in cost, in order to ensure they did not close during the period of the freight rate freeze. I am interested in knowing what inquiries the minister has made about this, and what he has to say to the management of both railway companies in terms of freight rate increases during the so-called freeze.

I have a table somewhere here on freight rates that were not affected by the freeze but which, in fact, were increased. To add insult to injury in western Canada—but I will have to forget that, Madam Chairman, because I cannot find it. Suffice it to say that for steel products shipped from Hamilton to Calgary, compared with steel products shipped from Hamilton to Vancouver, both railways raised their rates in February and March. They are still doing very nicely.

An hon Member: Here comes the minister.

Mr. Marchand (Langelier): Excuse me, I was delayed by a Conservative.

Mr. Benjamin: It is too bad the minister did not do like me tonight, watch his waistline and not eat too much.

I hope, Madam Chairman, you will grant me an extra couple of minutes to repeat what I have just said. I was talking about the freight rate freeze. I would like the minister to advise whether he inquired into rate increases by the railways during the freeze on rates. I am thinking particularly of steel products being shipped from Hamilton to Vancouver, Hamilton to Calgary and so forth. There are a number of similar instances such as rapeseed versus rapeseed oil from Nipawin, Saskatchewan, to Vancouver. I understand it is still cheaper to send the rapeseed by rail to Vancouver and boat to Japan, than to end the oil to

Saskatoon. I hope I am wrong. Possibly the minister has made inquiries into that. Was this pursued in his discussions with the representatives of the four western provinces?

I now wish to deal with a subject which angered the minister and about which he waxed eloquent in this House some time ago. I refer to cost disclosures. If the railways were not prepared voluntarily to disclose their alleged costs, the minister said he would require them to do that even if it was necessary to involve parliament. We all applauded. The minister was assured that that kink of legislation would be passed in record time. In fact, if it will make him feel better, I will not make a speech.

My understanding, from what limited information I am able to get, is that the four western premiers and the Minister of Transport are still being treated like a prospective customer of the CNR or CPR when it comes to getting information. We would like to know the minister's intentions with respect to when he will be bringing that legislation into this chamber, either as an amendment to the Railway Act, Canadian Pacific Railway Act, or whatever act needs to be amended. The railroads should be required to make full disclosure of the cost estimates they use to arrive at what they call justifiable returns on freight rates. We are anxious to know that.

I now wish to return to the subject of branch lines. In his discussions with representatives of the western provinces over the past several days, did the minister deal with the other side of the coin; the social, economic and human costs versus the savings, convenience and profits for railways and trucking companies with respect to what number of branch lines, if any, are to be abandoned?

Last May and June a branch line 90 miles in length was closed. I cite this as an example of the kinds of costs people face in order to convenience the railroads and grain companies. Because a branch line had not been operating for over three months, a farmer in Imperial, Saskatchewan, was told he would have to deliver his carload of barley to Davidson, 35 miles away. This involved 10 loads and an additional $300 in order to fill his quota and get a special permit from the Canadian Wheat Board. He asked why he could not deliver his grain to Watrous as that was on the CNR main line. He was told he could not do that, and that he had to deliver to Davidson.

The estimates will be coming up to provide for the maintenance and operation of branch lines of both railroads. I hate to say this about my pet publicly owned transportation system, the CNR, but both railroads have deliberately allowed their branch lines to deteriorate to the point where no one would touch them with a 10-foot pole. I hope the minister will not fall into the trap of taking over the roadbeds and trackage because it would cost upwards of $1 billion to put them into a condition to carry traffic.

We would like the minister to report on extending the freeze on branch lines. Will he live up to the commitment made by his colleague, the Minister of Justice, that no branch line will be closed without the consent of the provincial government? If that commitment is to be forgotten, what does he mean by "an appropriate alternate method of service"?

I particularly want to know how much money the minister and his colleagues have agreed to part with by way of compensation during the freight rate freeze. If the minister is unable to give that figure now, I hope he will do so during the question period later this week or next week. Remarks were made earlier today about ministers answering questions in a straightforward manner in order to ensure that the opposition do not keep debate going because they are not getting answers.

May I remind the minister that he, like some operations in his department, cannot continue to try and be both fish and fowl. We need to have a transportation system that is operated as a public utility, publicly owned and controlled. We do not want any of these half measures of transportation systems that are part private and part public, both trying to operate for profit, both trying to provide service which is better, and "never the twain shall meet".

● (2020)

The minister and the government must make up their minds one way or the other. They cannot continue trying to be half pregnant. It is either a publicly owned and operated transportation system, integrated and efficient, with service getting priority over profits, or it is an undertaking in the private sphere looking for all the fast bucks it can get. Even if the minister does not want to adopt all the solutions I am asking for, if he will agree to start off with CP Air Lines, we shall support him.

The Assistant Deputy Chairman: Order. The time allotted to the hon. member has expired.

Mr. Mazankowski: Mr. Chairman, I was hoping the minister would respond to the hon. member for Regina-Lake Centre. I was also hoping the hon. member would make his remarks a little shorter in order to give the minister a chance to reply. My questions are along the lines of those pursued by the hon. member for Regina-Lake Centre. They have to do with the status of the freeze on branch line abandonment and on freight rates. I, too, would like to know how much money has been expended by the treasury in compensation for the freeze, and the rationale behind any payments made to the railways. I should like to know how much each company is receiving and what we may expect by the time the freeze expires at the end of the year. If the minister would reply to these questions, I might be able to continue.

[*Translation*]

Mr. Marchand (Langelier): Madam Chairman, I had the good fortune, last week, of meeting the ministers of transport for the western provinces; we discussed the problem of prices, which were frozen for some categories of goods, and also that of the railway companies which have also been frozen for a certain length of time, that is till the end of 1974.

In both cases, I said that this matter had yet to be decided by the federal cabinet who took the initial decisions. The matter will be taken up very soon, this week or next.

Unfortunately, I cannot tell the hon. member this evening whether prices will continue to be frozen or not.

In any event, I believe we will soon reach a decision, because time is running out. The matter is on our agenda.

[*English*]

I told the transport ministers of the west that they did not have to take a decision, because the first decision was taken by the federal government and not by the transport ministers of British Columbia, Alberta, Manitoba and Saskatchewan. So we intend to take this decision, rightly or wrongly. At this moment I am not in a position to tell the hon. member exactly what we are going to do.

Mr. Mazankowski: Can the minister answer the other question I asked him? How much money has been spent by the federal treasury in compensation for the freeze, and what was the rationale behind these payments? Further, could the minister give us some idea of the amounts paid to the individual railway companies?

Mr. Marchand (Langelier): It is very difficult for me to say what is the amount—

Mr. Stanfield: Évidemment.

Mr. Marchand (Langelier): Of course. If I were to put that question to the hon. gentleman, he would not know either. But if I compare that amount to what the right hon. member for Prince Albert had to pay when he decided to freeze the rates in 1959, I assure the hon. gentleman that there is not much difference. That is all I can say at this stage.

Mr. Mazankowski: Can the minister tell the committee what formula will be applied in the payment of the subsidy? How will the amount be established? Will the department simply accede to the request of the railways? Are there ongoing discussions on this question?

Mr. Marchand (Langelier): That is a fair question and a very difficult one. I should not like to give a reply which would not be honest. What the railways are asking is compensation for revenues which were forgone in consequence of the freeze. I must confess I have no criteria now on which to check exactly the amount for which they are asking.

Mr. Mazankowski: A figure of $41 million was kicked around here last session. How was that figure arrived at?

Mr. Stanfield: A crystal-ball.

Mr. Marchand (Langelier): I know CN and CP claim we owe them about $41 million; $27 million to CN and $13 million to CP.

An hon. Member: For what period?

Mr. Marchand (Langelier): For 1973. But if you asked me how they arrived at that amount, my answer would be that I don't know.

Mr. Mazankowski: I am not sure whether you have recognized me again, Madam Chairman. It was my understanding we were allowed 20 minutes. Have my 20 minutes expired?

[Mr. Marchand (Langelier).]

The Assistant Deputy Chairman: No. The Chair will recognize the hon. member for Vegreville for one more question.

Mr. Mazankowski: Can the minister advise the committee the position of the Ministry of Transport with respect to giving consideration to truckers along the same lines as the consideration given to the railways since, in effect, when rail rates were frozen the freeze automatically applied to truckers' rates as well?

● (2030)

Mr. Marchand (Langelier): Madam Chairman, the hon. member is not dishonest, but he is putting to me a question that he knows I cannot answer. The truckers did not ask for any compensation. If he asks me how much money they think we owe them because of the freeze on freight rates, I do not think it is a fair debate at this stage.

The Assistant Deputy Chairman: The hon. member for Vegreville may put a last question.

Mr. Mazankowski: Just one further question, Madam Chairman. Would the minister give the committee some enlightenment on the proposed changes to the National Transportation Act and the Railway Act which were mentioned in the Speech from the Throne? Is it the intention of the minister to proceed only with changes to the Railway Act to provide for compulsory disclosure, or are there other amendments to be considered?

Could the minister also give the committee some indication of the future of the Crowsnest freight rates and say whether in fact his department or the CTC have engaged in any cost studies on the question of the Crowsnest freight rates? It seems to me this is a question that is on the minds of at least the western Canadian members, and I would certainly appreciate the minister's giving the committee some assurance that the Crowsnest freight rates will not be tampered with.

Mr. Marchand (Langelier): The hon. member is not going to get an answer to that from me.

Some hon. Members: Oh, oh!

Mr. Woolliams: So that is your attitude to western Canada.

Mr. Marchand (Langelier): What do you want me to say?

Mr. Woolliams: You know this is important to the economy of western Canada. You were out in Calgary and promised us so much.

Mr. Marchand (Langelier): I never promised anything.

Mr. Mazankowski: It is a legitimate question that requires a legitimate answer.

Mr. Marchand (Langelier): Do you want to be serious?

Mr. Mazankowski: I am being serious.

Mr. Marchand (Langelier): You are not being serious. Let me tell the committee two things, if they will allow me

to do so. First, we have indicated that we are ready to amend the Railway Act, provided the House leaders of all parties agree, so we can get all the information from the railways on establishment of the freight rates. We promised to do that, and we are ready. If all House leaders tell me tomorrow they are ready to agree to this amendment, then we are ready.

Mr. Mazankowski: Is that all you are going to do?

Mr. Marchand (Langelier): Some may refuse for political reasons, but we are ready to amend the Railway Act so the railways can give us all the information on rates.

Mr. Mazankowski: Then why not introduce the bill?

Mr. Marchand (Langelier): Tell us first if you will agree to it.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Madam Chairman, I rise on a point of order. The Minister of Transport has been making reference to certain proposals that have been put to the House leaders of the parties. Three of us are here now; the other one is somewhere else. I should like to know from my hon. friend from Peace River, and from the President of the Privy Council, when this matter was discussed among the House leaders. If we are having a discussion right now, then I would give my consent right away.

Mr. Benjamin: All stages, no debate.

Mr. Marchand (Langelier): I am sure there is no problem about this and that all House leaders will agree to an amendment of the Railway Act so we can get the information we want about the rates. Is the hon. member for Peace River opposing this?

Mr. Baldwin: Madam Chairman, my understanding of the agreement that we reached was that the government House leader would produce ministers and we would get, to use the usual expression, frank, fruitful and useful answers to questions that would be put. If this is not the case, if we are not able to get answers now, I think we might review the disposition of the committee proceedings and even consider postponing consideration of these estimates, if that is necessary, so that the minister can get all the answers.

[*Translation*]

Mr. Allard: Madam Chairman, I rise on a point of order.

The Assistant Deputy Chairman: The hon. member for Rimouski (Mr. Allard) on a point of order.

Mr. Allard: Madam Chairman, following what the minister said a while ago on the consent of the parties and House leaders, I should like to point out that the leader of our party is away and that I am taking his place.

[*English*]

The Assistant Deputy Chairman: Is the hon. member for Calgary North rising on a point of order?

Mr. Woolliams: Yes, Madam Chairman. My point of order can be very simply put. As I understood the suggestion of the House leader of the Liberal Party, each member would be given 20 minutes. Some members wish to make speeches; others wish to ask questions. With the greatest respect, this procedure is new to many members here. Others are used to it. I looked at the clock when the hon. member for Vegreville rose, and although he put many questions he may now want to make further comments to the minister. With the greatest respect, I ask that you give him at least his full 20 minutes according to the rules governing the House when it is considering supply. The problem may be that you are looking at this committee of the whole as if it were a standing committee. I do not think the hon. member for Vegreville had his 20 minutes. He asked questions which the minister did not answer. I ask you to give him his full 20 minutes.

Mr. Mazankowski: Madam Chairman, I am simply rising on a point of order to point out to the minister that I would appreciate getting just a few answers.

Mr. Stanfield: Even one.

Mr. Mazankowski: For example, in my final submission I posed three specific questions. The minister tried to answer one question but avoided the other two. My other questions are these. First, I ask the minister to tell this committee and the country the position of the government respecting the Crowsnest freight rates, and to assure us that these rates will not be tampered with. Second, would the minister enlighten the committee on the amendments we can expect to the National Transportation Act?

May I also ask the minister, since this matter is referred to in the Speech from the Throne, what specific steps his department intends to take to facilitate the movement of grain this winter in order to avoid the chaotic conditions that we experienced during the peak grain moving season last winter. These are very simple questions, and if this committee is to serve any purpose members on this side of the House are entitled to straightforward answers.

The Assistant Deputy Chairman: The Chair was under the impression that hon. members could speak for 20 minutes, not ask questions for 20 minutes. A number of members wish to participate, and if the hon. member intends asking questions for 20 minutes, other members will not be able to participate.

Mr. Woolliams: With the greatest respect, Madam Chairman, I suggest the hon. member for Vegreville could talk, not only for 20 minutes but for 20 hours about the failure of our transportation system. If he wishes to put questions to the minister instead of making a speech, it is because he is seeking the information we have not been able to obtain. Your Honour should not deny him this privilege under the arrangements made by the House leaders or under the rules governing committee of supply.

● (2040)

Mr. Stanfield: Madam Chairman, I think we are working according to an agreement, and it is really a matter of understanding what was agreed upon. My understanding is that an hon. member may use 20 minutes either making

a speech or asking questions. I would refer you to the government House leader and to the other House leaders simply for your guidance. I do so with great respect. Perhaps they could indicate to you clearly what the understanding was, so as to remove any misunderstanding and to prevent your getting into an unfortunate position because of a misunderstanding.

Mr. Benjamin: Right on.

Mr.Sharp: Madam Chairman, the arrangement made was to the effect that no member shall speak more than once on the estimates of any one department, but that does not mean a member cannot ask questions or that the minister cannot present a rebuttal. The arrangement does not suggest that members may ask questions for 20 minutes. In fact, that would be a very difficult rule to apply. Would the time include the time of reply by the minister to questions?

An hon. Member: Oh, yes.

Mr.Sharp: If that is the interpretation, I have no objection, because then the hon. member would not have the opportunity of making a speech.

An hon. Member: That's not so.

Mr. Mazankowski: On the point of order, Madam Chairman, I say very emphatically that I posed three or four questions to the Minister of Transport. I believed that was the purpose behind this type of arrangement. I understood we would get answers from the minister. I do not necessarily want to make a speech, but I should like him to give us some answers.

Some hon. Members: Hear, hear!

Mr. Mazankowski: I raised three or four specific questions. I am sure the minister and his officials have a record of them. Now I would ask the minister to reply.

Mr. Benjamin: On the same point of order, Madam Chairman, I felt I was abiding by the agreement in taking up 20 minutes both in making a speech and asking questions. I hope the minister will rise and take whatever time is required to reply. He has not done so yet. Thank goodness the hon. member for Vegreville asked almost the same questions as I did, because the minister did not reply to mine. If the minister requires 40 minutes, we will give it to him.

With reference to another matter—this perhaps is more a question of privilege—when I asked the minister a specific question about the amount of money the government has spent in compensation respecting freight rates, there was no answer. When the hon. member for Vegreville asked virtually the same question, the minister came up with the figure of $57 million. I would ask the minister, now, whether it would be more like $137 million? Will he reply to that question?

Mr. Beatty: Madam Chairman, I intend to participate a little later, but before I do I should like to have the ground rules straight. It is my understanding that each member may speak for 20 minutes and it is up to him to decide whether he will ask questions, make remarks or put forward a combination of both. Is that the understanding of the government House leader?

Mr. Sharp: Yes, I think that is quite reasonable. The purpose was to make sure that no member used up too much time to the exclusion of others. But it is up to the minister to decide which questions he is going to answer; that is his privilege.

Mr. Baldwin: Let's have the minister answer.

An hon. Member: We are not conducting a question period; we are passing funds.

Mr. Mazankowski: I would simply like to repeat the questions I put to the minister. If he refuses to answer, the record will so indicate. Perhaps that will illustrate the mess his whole department is in, and why. I do not think he takes his job seriously. I think we have had too much evasiveness and flippancy. If the minister is not prepared to accept his responsibility, there is no point wasting our time putting questions to him.

An hon. Member: Bring back Herb Gray.

Some hon. Members: Hear, hear!

An hon. Member: By comparison, even he would be sweetness and light.

Mr. Reynolds: Madam Chairman, I see it is twelve minutes to nine. I will be finished by eight minutes after nine. I should like to start by referring to the Canada Shipping Act. I read the following from the *Canada Gazette*, part II, volume 107, No. 18:

Registration

SOR/73-537 12 September, 1973

CANADA SHIPPING ACT

Search Initiator Buoy Regulations

P.C. 1973-2700 11 September, 1973

His Excellency the Governor General in Council, on the recommendation of the Minister of Transport, pursuant to paragraph 400(1)(c) of the Canada Shipping Act, is pleased hereby to make the annexed Regulations Respecting Search Initiator Buoys on Ships, effective 1st July, 1974.

I ask the minister what he knows about these regulations, imposed by himself, and why is it that July 1, 1974, has passed and the regulations are still not in effect?

Mr. Marchand (Langelier): Madam Chairman, I think first I should answer the question put by the hon. member for Vegreville. The first question concerned the Crowsnest pass rates. Nobody indicated—certainly I did not—that we were going to modify that part. If ever we intend to do that, hon. members will have a formal proposal before them. Up till now, no one in my department, and certainly not in my office, indicated that we should modify the Crowsnest pass rates.

Having regard to the amendments to the National Transportation Act, of course, we intend to bring about some modification. I have discussed this matter with the ministers of transport from the west and I think we are close to agreement. That does not mean the problem will be solved in that way. These amendments will have to be brought before this House and discussed here. There are

problems, as hon. members know, and we are ready to discuss them here.

The third question had reference to boxcars. As hon. members know, we have instituted a monitoring system to find out exactly where the cars are, whether we have enough cars and how they are being moved. We had a conference last May in order to discover how many cars we actually had, if the number was sufficient and if the railways had plans to build enough cars to meet the need. we know very well that if the decision is to build more cars, it will be impossible to have them in service by December, January or February, and it would be childish to think otherwise. I think it will be perhaps a couple of years before we finally have all the cars we need.

● (2050)

Mr. Mazankowski: I appreciate the minister's reply, and I appreciate the fact that he reviewed what the Ministry of Transport has instituted as of last May. The throne speech indicates that steps will be taken to facilitate grain handling this winter. What steps are referred to there?

Mr. Marchand (Langelier): As you know, through the Canadian Wheat Board we decided to have a certain number of hopper cars built. They will not be ready next winter; there is no doubt about that. If the hon. member can think of a way to have those cars delivered next winter perhaps he would tell me and I will apply it. There is no way to do it. We have given orders and have voted the money so that we will have the hopper cars we need to move the grain.

An hon. Member: So you do not intend to do anything this winter?

Mr. Marchand (Langelier): We have done everything we could.

An hon. Member: What else will you do for this winter?

Mr. Marchand (Langelier): What do you think I should do?

An hon. Member: Resign.

Mr. Woolliams: Madam Chairman, I hope the hon. member for Burnaby-Richmond-Delta will not be charged in respect of his time with the fact that the minister is two members behind in his answers. The hon. member is allowed 20 minutes, and I hope that what has been going on will not be charged against the time of my hon. friend.

[*Translation*]

Mr. Marchand (Langelier): Madam Chairman, I am willing to give them all the time they need, even until 3 o'clock tomorrow morning. But one thing for sure, I will not allow them to play a game of politics for the sake of playing a game. That is for sure.

[*English*]

Mr. Reynolds: Madam Chairman, I do not wish to play politics. However, I asked a question of the minister a few moments ago and still would like to have an answer. I asked about the search initiators. I read a statement from the Canada *Gazette*. I would like an answer. What does the minister know about the regulation which was supposed to be in effect for July 1 this year, and which still is not in effect? The minister has answered three other questions and I still have not had an answer to that question. I wish the minister would give me an answer. If he cannot tell me then he should say so and I will tell him all about it.

Mr. Marchand (Langelier): There are certain technical problems which we did not overcome. We are trying to solve them and will consider the situation.

Mr. Reynolds: I find it very hard to believe that the government has come across some technicalities it does not know how to solve. There are sufficient people in the gallery to solve the total problems of Canada. In Canada there are 1,460 tugs that are five tons or more. In the province of British Columbia there are 824. There are 430 in Canada of 15 tons or more and 170 of these are in British Columbia. I know the minister is aware that since 1958 there have been 41 wooden tugs sunk in Canada involving the loss of six lives. Since 1958 38 steel tugs have gone down involving the loss of 34 lives.

A total of 40 lives have been lost in the tugboat industry in Canada. This is one of the reasons the guild and the tugboat association have been pressing so hard to get this regulation in order to save the lives of others. I cannot understand the minister saying there is a technicality involved in this. Lucas Marine in British Columbia built a buoy which met all the qualifications of the regulation. They went into production on the basis of the fact that the government passed a regulation which was to be effective in July this year.

Because the government, through one of its people in the department, stated this is delayed for six months this company is sitting in British Columbia with buoys it cannot sell. It has nowhere to sell them because the major companies do not want to become involved in this expenditure in these circumstances. The president of the guild has demanded that the government put this regulation into effect for the safety of the tugboat operators and to save lives. While the government will not allow this regulation to come into effect we are risking lives.

In British Columbia this year a tug went down with a loss of three lives. I do not blame the minister for this. It is not his fault that the tug went down. However, if this tugboat had had the search initiator buoy on board it might have been found sooner, and certainly those lives could have been saved. I cannot understand why the minister does not know more about this serious problem.

I know representatives of the guild are planning to come to Ottawa sometime next week to plead with the minister to bring this regulation into effect immediately, and I hope he will say he will do that. Perhaps tonight he will stand up and tell this House and the country that, for the great benefit of the men and women working on tugboats, he will ensure that the regulation which the government passed will come into force immediately, especially in view of the fact that its taking effect is overdue since July 1. This is a very serious problem. but I have one other issue that I must mention before my time is up and I know that there are other members who have important questions.

Estimates

● (2100)

A major problem in British Columbia is the new air route allocations between Air Canada and CP Air. I know that the minister is certainly familiar with this issue because he not only has had representations from me but also from members of his own party. Has he considered the representations that have been made to him, and is he considering any changes whatsoever in the air route allocations that he made this past summer?

Mr. Marchand (Langelier): The answer is no, Mr. Chairman.

Mr. Reynolds: I am very disappointed to hear that the answer is in the negative because I know that not only members on this side of the House but many members on the minister's side of the House will be extremely disappointed with that answer because it affects western Canada drastically and in particular it affects my riding where 1,400 jobs will be lost. I do not think that the minister has looked at the issue as closely as he should have, or listened to the people in his party, particularly those from our province of British Columbia who were elected to his party and who have told him what are the problems out there.

There is one other issue that I would like to touch upon with regard to the airport area. I am wondering whether the minister could advise me if he is planning to take over the one remaining area, in the Sea Island area in Richmond, which is where the Vancouver international airport is located. The area is called Burkeville. Can the minister tell me whether there are plans to take over the Burkeville area, and could he advise whether he has put any pressure on his cabinet colleagues to try to settle the problem of the people who are still living in the area that is to be expropriated and who have not been able to receive any final confirmation from the government? Can the minister explain anything on this matter?

Mr. Marchand (Langelier): I think the hon. member is as well aware as I am of what is going on there, of the inquiry that has been instituted and the study that is being carried out. I hope that as soon as we have the results, we can make a decision. It is a very important decision. Under his pressure, and the pressure of other groups, we delayed any decision that we were going to make, so I think he should be fair enough to await the results of all those inquiries before we make a decision.

The Chairman: Order, please. I have not been in the Chair for the first hour of this sitting but I should like to obtain some direction from the committee at this time.

On looking at the suggestions that were made by the President of the Privy Council I read on the second page that it is the agreement with respect to the debate that each member will be restricted to one twenty minute speech in committee on each department, but that this restriction would not apply in the case of direct questioning or answering, nor would a minister be prevented from rebutting points made during discussion.

The point I want to bring to the attention of the committee is whether I am to interpret this suggestion, or any other chairman of the committee is to interpret it as allowing a member who does not take up the twenty minutes allotted to him for a speech to compensate for that time by a twenty minute questioning period. I should like some kind of direction from the committee because I should not like to limit hon. members, but there are so many who wish to ask questions that by the time we reach 10.30 p.m. we might have to extend the hours to satisfy everybody.

Mr. Stanfield: I think that we tried to clarify this a few minutes ago. I suggested to your predecessor in the chair that we were trying to follow an agreement rather than putting the Chairman on the spot where he would have to make a rather difficult ruling with regard to time. I think I am interpreting the President of the Privy Council correctly when I say that he agreed with the suggestion that the spirit of the rule was that the member speaking and asking questions could take up the full twenty minutes allowed him, provided the minister's time was not counted in replying. In other words, what difference does it make to the committee whether a member takes twenty minutes speaking or twenty minutes asking questions? I see the President of the Privy Council nodding his head. I think this was the understanding that he affirmed a few minutes ago.

The Chairman: The reason why I raise the point is that I see so many members wishing to rise. If the Chair is asked to add the time allocated to the minister for replies it would easily add up to twenty minutes each time, and I see members from other parties wishing to ask questions. This afternoon we had a difficulty with the hon. member for Moncton whose impression had been that he was forgotten in the House.

Mr. Skoreyko: Mr. Chairman, I rise on the same point of order. I am sorry to have to say this but I have the impression that what is happening now is similar to the performance of Committee of the whole in 1968, and I, as a member of the House, do not remember any specific rule changes being made dealing with committee in supply. That being the case, any member of the House of Commons rising to question a minister naturally expects answers. If his allotted time is twenty minutes, then he has that time to ask the questions he has in mind. Of course we hope that we can get some answers from the minister.

You can understand our frustation in dealing with this point of order with a government which abondoned committee of the Whole House in supply as far back as 1968 because of members of the opposition persisting in wishing questions to be answered precisely, and ministers failing to do so. This proved only one thing, namely, that the government is totally incompetent. That is one of the reasons that the Committee of the Whole House in supply was scrapped.

Some hon. Members: Hear, hear!

The Chairman: Order, please. I do not wish to disagree with the hon. member for Edmonton East but I must say that in those years there was no time limitation.

Mr. Skoreyko: There certainly was.

The Chairman: It was the House that decided that the debate on this and other departments would take up so much time. So the Chairman is only trying to be fair to all hon. members and to make sure that we do not have to extend our time as we did this afternoon.

Mr. Skoreyko: I rise on the same point of order, Mr. Chairman. If the government is really serious in having this House examine the estimates that are before the House now, then they will allot the appropriate amount of time to discuss them.

The Chairman: Order, please. The hon. member is putting the Chair in a very difficult situation. He is mixing the Chair with the government. I am only asking for advice from members of the Committee. I will recognize the hon. member who had the floor as there does not seem to be a solution to this problem at this time, and I will not continue further on this point.

Mr. Woolliams: On this point of order, Mr. Chairman. before you came to the Chair the President of the Privy Council agreed that it did not matter whether members on this side took twenty minutes asking questions or twenty minutes making speeches.

Some hon. Members: Or both.

Mr. Woolliams: Or both. Having had that agreement from the President of the Privy Council, let us continue asking for information from the minister.

● (2110)

An hon. Member: Don't waste the time of the committee.

The Chairman: Order, please. It is for the Chair to make a decision, or at least seek the consent and understanding of the whole committee, not just of one member in committee.

An hon. Member: May we have your ruling?

Some hon. Members: Hear, hear!

Mr. Woolliams: Mr. Chairman, with the greatest respect, we are not asking—

Mr. Stanfield: With great respect—

Mr. Turner (Ottawa-Carleton): Oh, we have a good one tonight.

Mr. Stanfield: We have a good one tonight all right. I have been trying to make it clear to the Chairman that we clarified this question about 15 minutes ago. There is no disagreement between any of the House leaders on what is involved.

I am trying to control myself but it is pretty difficult in these circumstances. There are a lot of smart alecks in the House tonight. I have been in legislatures for about 25 years and I have never seen a farce such as this—

Some hon. Members: Hear, hear!

The Chairman: The hon. member for Peace River on a point of order.

Mr. Baldwin: We have got so far along now and we have an hour and a quarter left. Can we have an agreement in this House now that we shall make no more speeches and simply ask questions?

Some hon. Members: No, no!

Mr. Baldwin: All right.

The Chairman: The hon. member for Winnipeg North Centre on the same point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, at the risk of not being able to do what I rise to do, I must try anyway.

An hon. Member: It has never inhibited you before.

Mr. Knowles (Winnipeg North Centre): I should like to deal with this procedural point in the simplest possible terms. Surely it was understood that each member who gets the floor has it only once for a department, and has it for not more than 20 minutes. If he uses all the 20 minutes to make a speech, that is it. If he asks questions, gets answers and asks more questions, he is still limited to a total of 20 minutes.

The only problem I see in this is if the minister, in answering the questions, abuses the honourable member's position by taking too much time, then I would say it is up to the Chair whether to give that member a bit more time. Surely it is not too complicated. It seems to me that there are other factors that have caused trouble tonight, but surely this matter is not complicated. Each member who is given the floor on one of the departments is allowed not more than 20 minutes. He can use it all for a speech, partly a speech and questions, or all for questions.

Some hon. Members: Hear, hear!

The Chairman: If hon. members agree with this interpretation of the suggestion that was made today as to the procedure of this committee, the Chair will recognize the hon. member for Burnaby-Richmond-Delta.

Mr. Reynolds: Mr. Chairman, I am glad to see that parliament lives again. I am just going to condense all my remarks. I know I must have ten minutes left after all the interruptions but I will not take more than one minute.

Some hon. Members: Hear, hear!

Mr. Reynolds: Mr. Chairman, hon. members opposite cannot even give us that time; they have to take it up by pounding their desks.

I want to ask the minister two simple questions—simple questions being asked of a simple government. First, when are these studies going to be completed on the Vancouver International Airport that have been going on since before I was elected in 1972? The minister should be able to give an answer.

Second, why has the government postponed implementing those regulations? People could be killed because those

buoys are not on the boats and tugs. Will the minister guarantee to this House that these regulations, which the government passed and were to be put into effect on July 1, and that tugboat men and women want now, will go into effect immediately?

Mr. Marchand (Langelier): Mr. Chairman, the regulations are in effect. There is no doubt about that.

Mr. Reynolds: It is a lie.

Mr. Marchand (Langelier): They are in effect.

Mr. Reynolds: It is a lie.

Mr. Marchand (Langelier): Okay, what about the other one?

Mr. Reynolds: Mr. Chairman, on a question of privilege I want to read a copy of a wire sent to Captain G. Morris, head of the Guild of Tugboat Owners.

Mr. Guay (St. Boniface): The newspaper?

Mr. Reynolds: Why don't you keep your mouth shut? I guarantee not too many members from British Columbia will stand up on this issue, but the tugboat owners will come down here wanting to see the problem solved.

Mr. Chairman, here is the telegram:

After serious consideration of all facts involved and view expressed the ministry is taken under review the extent of the application of the search initiator buoy regulations to tugs of more than five and not more than fifteen gross and this will be the subject of a circular letter to be forwarded within the next few days. It is considered that the dictate of safety require that existing regulations continue to be written to tugs of more than fifteen tons gross.

It is signed by R. Illing—I do not know who that is—MOT, Ottawa. I think that telegram proves that the minister is mistaken in what he just said. Those regulations are not in force. I am asking the minister why they are not in force and when they are going to be in force?

Mr. Mackasey: Mr. Chairman—

An hon. Member: Bail him out.

The Chairman: Is the hon. minister rising on a question of privilege?

Mr. Mackasey: Just participating in the debate, Mr. Chairman.

Mr. Lee: On a question of privilege, Mr. Chairman, and with all due respect to the hon. member for Burnaby-Richmond-Delta, as a member from British Columbia I have worked very closely all this time with members of the Canadian Merchant Service Guild on the west coast and made representations to the Department of Transport. They are well aware of the problem that we brought to their attention. As a matter of fact I just spoke to Captain Arnie Davis who is the Secretary-Treasury, and he indicated to me that the regulations are in force on the west coast.

Some hon. Members: Hear, hear!

An hon. Member: No more headlines. It is a knockout.

[Mr. Reynolds.]

The Chairman: I should warn the hon. member for Burnaby-Richmond-Delta about the disadvantage of raising arguments as a question of privilege. The hon. member might differ with the minister on all this and the answer which he got—I do not know any of the facts—proves that there is mainly a difference of opinion or interpretation. The hon. member who has the floor should use the floor to make his views known.

Mr. Reynolds: Mr. Chairman, I did not interrupt these proceedings on a question of privilege. It was the hon. member for Vancouver East.

An hon. Member: No, you did.

Mr. Reynolds: I am sorry, but hon. members on the other side must realize I was using my 20 minutes and I was interrupted. I would say to the hon. member for Vancouver East that if he has been involved with this problem very seriously he must have had discussions with Captain Griff Morris, the Vice-President of the Canadian Merchant Service Guild. I had a meeting with him last Saturday. He pointed out this problem to me and said these regulations are not in force, and are not being enforced. I do not know where the hon. member got his information. All I can say is that he is mistaken.

● (2120)

[*Translation*]

Mr. Allard: Mr. Chairman, since spirits are beginning to run high, I would like to move from the Pacific to the Gulf of St. Lawrence where the water is somewhat colder.

Last year, I think, I asked the Minister of Transport about continued icebreaking service in the Gulf of St. Lawrence to provide safety for ships sailing the gulf and the area of Rimouski, and moving upstream from Quebec City to Montreal. At that time, the minister informed me that the question was under consideration and that a permanent icebreaker would be put in service, probably in 1974.

Is the minister in a position to inform the House whether a permanent icebreaker will indeed be put in service in the Gulf of St. Lawrence this winter, specially in the Rimouski, Les Escoumins and Saguenay areas, to provide increased safety for ships navigating those areas during winter months?

Mr. Lawrence: Does the minister intend to reply?

Mr. Allard: Does the minister want to answer my question? Did he understand it?

Mr. Marchand (Langelier): I did not fully understand the question, Mr. Chairman, because I was reading a document. I apologize, I thought he was talking about the Vancouver matter.

If the hon. member would like to repeat his question, I would be delighted to answer him if I can.

Mr. Allard: I am sorry, Mr. Chairman, but the question seems to me to be easy to understand. Last year, I asked that a permanent icebreaker be put in service in the Gulf of St. Lawrence, Rimouski, Les Escoumins and Saguenay areas, and the minister replied that the matter was under

consideration and that eventually, in 1974-75, a permanent icebreaker would actually be put in service in those areas. Now there, is the minister in a position to tell the House whether there will eventually be an icebreaker next winter to offer relative safety for ships?

Mr. Marchand (Langelier): There are icebreakers in service in the Gulf of St. Lawrence as far as Quebec City and even Montreal throughout winter. Now, are there enought of them? Our problem comes from the fact that we are short of icebreakers. As a matter of fact, a number of them which are being built will help maintain navigation on the St. Lawrence River. However, I could not assure the hon. member that we will never be without icebreakers between Rimouski, Gaspé and Matane.

Mr. Allard: A supplementary question, Mr. Chairman.

Can the minister advise the House whether there are any icebreakers being built at the present time?

Mr. Marchand (Langelier): Yes, Mr. Chairman, there are two of them. There is also a project for the construction of a super icebreaker which should enter service within the next few years.

[*English*]

Mr. Smith (Churchill): Mr. Chairman, for a while I did not know whether I would be able to speak tonight. I am certainly pleased to see such a large gallery. I did not think they would all turn out to hear someone from Churchill speak.

We have gone from the east coast to the west. We are now going into central Manitoba. I do not know whether many people realize there is an inland port called Churchill. The last ship of the season left Churchill at high tide approximately two hours ago. That was the twentieth ship to have visited Churchill this year.

Within the next few days the minister will probably issue a statement that some 22 million bushels of grain were hauled out of Churchill, an amount that is almost unsurpassed. Let me assure you, Mr. Chairman, that Churchill is capable of handling between 10 and 14 million bushels a month from July 15 to October 15. The reason the authorities do not handle that amount of grain is that they simply do not have the funds to keep the port in operating condition.

We see that approximately $12.5 million will be spent over the next four years to upgrade the port of Churchill. I can assure hon. members that this will only look after the maintenance of that port. What is the department doing to upgrade the facilities in Churchill so that at least 40 million bushels can be stored or shipped through that port? It is a very vital line of transportation in central Canada and the central United States. Can the minister give some answer to that?

Mr. Marchand (Langelier): Yes, Mr. Chairman, I can give the hon. member an answer. The hon. member says we are only doing what is necessary to maintain the port of Churchill, keeping it open and operating efficiently. I regret to say that is not true. The government of Manitoba knows we are spending more than $12 million to improve the port of Churchill. At this moment the government of Manitoba is asking us to re-direct investment in order to increase even more the efficiency of the port. We agree, and we are doing that. Therefore, what the hon. member has said is not quite true.

Mr. Smith (Churchill): Mr. Chairman, as an election promise the government said it would revamp the total grain handling system. I do not know if the minister knows where Churchill is, but it is one of the most important grain handling facilities in central Canada. The minister met with western ministers in Saskatoon. I have here a statement entitled "Progress towards the improvement of the port of Churchill and the development of the port of Prince Rupert".

I wish to refer to the blue book detailing the estimates. I see that for the port of Churchill, approximately $2 million is being spent. That is strictly maintenance money. How is the port of Churchill going to be developed, or is it just going to sit as it has for many years?

Very important also is the fact that the rail facilities into Churchill are such that there have been many train wrecks on the line. This holds up ships coming into the port. I understand the transport committee has promised $20 million for rebuilding the railway from Gillam to Churchill. Can the minister state where this is in the estimates and from where it will come?

Mr. Marchand (Langelier): Mr. Chairman, it is under normal CNR expenditures. What we said we would do for Churchill, we will do.

Mr. Woolliams: When?

Mr. Marchand (Langelier): We are doing it right now. When were you last in Churchill?

Mr. Woolliams: I might tell the minister I have been there many, many times when he has not been there.

Mr. Marchand (Langelier): Mr. Chairman, a few days ago I had discussions with a responsible minister from Manitoba, Mr. Evans. He agreed entirely with the procedures we are following. He is keenly interested in the development of the port of Churchill, and thinks we are making the right moves. He would, of course, like the process to be accelerated. We agreed entirely, and I must confess the provincial authorities seemed to be as interested as is the hon. member in the development of the port of Churchill. But they do not believe we can get rid of the ice 12 months a year. They know there are limitations, and we are trying to work within those limitations.

● (2130)

Mr. Smith (Churchill): I am not really interested in trying to keep Churchill open for 12 months a year either. All I am saying is that the facilities which are there now ought to be utilized to their full capacity. What I know is happening is this: they are trying to develop the shipping of other commodities through Churchill and trying to stay away from grain. Yet the port of Churchill is ideal for the shipment of grain. The storage facilities are ideal. There is very little dampness up there; once it turns cold in the fall it stays cold right through the winter.

I sometimes sit and listen to people talk about the difficulties being experienced with the handling of grain

on the east coast and the west coast. I can assure hon. members that in Churchill there is no need to worry about space in which to store grain. It is a big country up there. Also, grain need not all be moved up there in a great rush in the summer time. Grain could move there all through the winter, and then it could be stockpiled. If this were done we would not run into the trouble we experienced this summer when ships were lying in harbour waiting to load, and there were insufficient stocks on hand in Churchill though cars were backed up for 100 miles on the Hudson Bay Railway. If these stocks had been moved up during the winter, supplies could have been built up and there would have been no difficulty whatsoever.

When the minister and his officials are talking about revamping the grain transport and handling system, let them not leave the port of Churchill out, because the port of Churchill is an important part of the economy of the north. The federal government has invested a lot of money in Churchill to revitalize the community. What is needed in an economic base to support the facilities which are presently there, and we should never forget that the presence of grain handling facilities in the north constitutes an ideal situation.

Regarding the railway I would suggest that one way of alleviating some of the tie-ups in the area would be to construct a passing rail between Gillam and Churchill. At present when trains are up to 155 cars long, it is impossible for the train to leave Churchill if there is a train going through Gillam. I hope some of the $20 million earmarked for the expansion of this railway will be spent in this way.

Mr. Hnatyshyn: I propose to ask questions on certain specific matters in the course of my remarks, and I hope the minister will have an opportunity to answer them without getting involved in too much speech making. I am satisfied that now the hon. gentleman has had the opportunity of spending a couple of days in Saskatoon, with all those clear skies and fresh air, his thinking will be at its most acute and that, flanked as he is by two assistants from Saskatchewan, he will be able to answer my questions without hesitation.

We in western Canada are concerned about the reference in the Speech from the Throne to measures to speed up the movement of grain. However, the minister did not tell us about any concrete steps which are being taken or which are anticipated on the part of the government in respect to the more efficient movement of grain this winter. He did say that the construction of hopper cars was contemplated or, perhaps, that it was under way, but added that it would be around two years before they were delivered.

I directed a question on this subject to the minister responsible for the Wheat Board asking him what specific measures the government had in mind, but the hon. gentleman did not elaborate in the course of his reply. Thus I ask the Minister of Transport if he would give us an example, possibly just one example, of a step in the area of transportation which is currently being taken to facilitate the movement of grain this winter?

Mr. Marchand (Langelier): The only way in which I can answer that kind of question is by saying we shall do our utmost to ensure the movement of grain this winter. I am no more in control of the future than is the hon. member, or even his leader. Many things can happen, but we shall work very hard to satisfy the farmers in the west. That is all I can say. Anything else would be either a lie or hypothetical.

[Mr. Smith (Churchill).]

Mr. Hnatyshyn: To carry on with my 20 minute question period, may I bring to the attention of the minister the fact that according to authoritative evidence the snowplows used by the Canadian National are at least 30 years old and require replacement. Again I ask the minister whether there is even remote consideration being given to making any funds available for the purpose of providing equipment, in particular for replacing the snowplows to deal with the inevitable snowfalls which will be experienced in the course of deliveries to the west coast this winter? Has a request been made to the railways to consider upgrading this equipment?

Mr. Marchand (Langelier): I presume the hon. member reads the newspapers in the same way that I do, and I know that the CNR has ordered over $1 billion worth of rolling stock and equipment.

Mr. Woolliams: Any snowplows in that equipment?

Mr. Marchand (Langelier): I hope there are. If they don't do it I think we shall have to do it through this corporation we announced in the Speech from the Throne.

Mr. Hnatyshyn: During the past three years when our markets have been exceptionally good—something for which we are all grateful—there has been delay for one reason or another in the delivery of grain because of the poor quality of the tracks and the inability of some of them to carry the rolling stock needed. Is the minister in a position to become involved, either by making representations to the railways or otherwise, in the solution of these difficulties? Can a statement be made with respect to the replacement of rails to bring them at least up to an acceptable standard?

• (2140)

Mr. Marchand (Langelier): I can tell the hon. member that I have been making representations to the railways for a few months now.

Mr. Hnatyshyn: May I turn to matters of policy within the department as they relate to air transport, particularly in western Canada. I should like to make particular reference to the province of Saskatchewan, part of which I have the honour to represent. I should like to ask the minister about a press release following his meeting with the western transportation ministers in Saskatoon, who requested the minister to allow greater involvement and input by the provinces in regard to a bilateral air transportation agreement.

Would the minister consider instituting an international air service from the province of Saskatchewan? It seems to me that the province of Saskatchewan would welcome a bilateral air agreement so it could have air connection with the state of North Dakota, and with the city of Minot in particular.

Mr. Marchand (Langelier): I did discuss the question of negotiations with foreign countries regarding an air agreement with the ministers from Saskatchewan, Manitoba, British Columbia and Alberta. Our position was that it is difficult to integrate the provinces into the process of negotiation, but that we do try to take care of their interests. All of us in this House represent Canada, and the government does try to take care of the interests of each province. If we are not doing that, then perhaps we are going in the wrong direction.

With respect to the last agreement reached with the United States I am aware that Saskatchewan was not entirely satisfied, and we did make some modifications. On the other hand, Alberta was satisfied. There were some urgent needs there which had to be met.

I think the best way to deal with the matter is to have a meeting of ministers before negotiations commence, but once the negotiations are started I think the matter must be left to the federal government. I do not see how there can be any provincial involvement at that stage.

Mr. Hnatyshyn: I thank the minister for that answer and I should just like to make one or two other brief inquiries concerning my province. May I ask the minister whether or not the government has given consideration to the great need in the province of Saskatchewan for development of air facilities, particularly in the northern part of the province? Once again we are embarking upon a very significant and substantial degree of uranium exploration and mining in the northern part of the province, and this calls for adequate air transportation to service the people of that region. There is a great need for navigational aids and air transport facilities to man this new industry in northern Saskatchewan.

The fact of the matter is that at the present time it is expedient to use the service from the city of Edmonton and Fort McMurray in Alberta. However, I think it is logical to request the minister to improve air transport facilities in the province of Saskatchewan. Will he give the committee an undertaking at this time that adequate consideration will be given to this rather modest request?

Mr. Marchand (Langelier): The hon. member is aware of what we are doing at the present time. I was in Saskatoon yesterday or the day before, I do not remember which, and some very substantial improvements are being made at Lac La Ronge. We are concerned about improving air transport facilities in Saskatchewan. I do not know whether the hon. gentleman is satisfied with what we are doing in that province.

Mr. Hnatyshyn: Mr. Chairman, it is not a question of whether I am satisfied but of whether the people of Saskatchewan are satisfied. I ask the minister to consider improving facilities north of Lac La Ronge with a view to servicing commercially this particular area of the province.

I will conclude my remarks after two more questions to the minister respecting items relating to the province of Saskatchewan. Would the government give consideration to establishing an international airport within the province, something we do not presently have? All that is required is the provision of around-the-clock customs facilities, not a substantial undertaking. Since several airports are being renovated it seems to me now is an appropriate time to establish an international airport with around-the-clock customs facilities.

In conjunction with that would the minister consider making representations to Air Canada or to the CNR, as the case may be, to provide air freight service to Saskatoon? It seem to me that this kind of service should be provided to a province that is located in the heart of western Canada.

Mr. Marchand (Langelier): I am sure the hon. gentleman understands that international airports can only be established by agreement between two countries, such as the United States and Canada. Air lines must be prepared to fly to those airports. In my home town, Quebec city, which is the capital of Quebec, no international airlines want to serve the airport there. Even if an agreement were reached with the United States or with Europe that Quebec City should be on an international route, no air line would be interested in flying DC-8's or 747's to Quebec city. So there would be no point in extending the runway to enable 747's to land at Quebec city. The hon. member sees that I have a problem very similar to his.

Mr. Hnatyshyn: Mr. Chairman, the city of Quebec is a great city, but in Saskatoon there are people who want to fly direct to the United States. This is why we would like the minister to establish an international airport in the province. Once he gets over the first hurdle of reaching an agreement, the second hurdle will be cleared very easily.

• (2150)

Mr. Beatty: I have a few questions for the minister which I think he can answer quite briefly, and perhaps I will have one or two comments to make after he is finished. The first question is essentially the same one I asked today during the question period, to which I did not get an answer. It relates to a letter sent out on October 9, 1974, by Diane Waller, the minister's research assistant. It states in part:

> Last year, the CTC's research branch carried out a thorough study of transportation services in the area and came to the conclusion that rail passenger services were not supportable by the population and that the preferred method of travel would be an improved rationalized bus service, a possible link to the existing main line passenger trains between London and Toronto.

The letter continues that "one primary candidate area" for replacement of the railway passenger service with bus services would be southwestern Ontario and it states that such action would be "in the national interest" and "should be encouraged and financially supported by the federal government".

My question is: did the minister authorize that letter to be sent?

Mr. Marchand (Langelier): I think the hon. gentleman told me he did not get an answer this afternoon. I think I gave him an answer.

Mr. Beatty: What was the answer?

Mr. Marchand (Langelier): I am supposed to meet with Mr. Rose.

Mr. Beatty: Oh, for heavens sake! You have to be kidding. That was not the question I asked the minister. I asked him whether he authorized that letter to be sent by Mrs. Waller. Was it sent out under his authority?

Mr. De Bané: Would you be kind enough to table the document?

Mr. Beatty: I would be delighted to table the letter.

Some hon. Members: Oh, oh!

The Deputy Chairman: Order, please.

An hon. Member: Do you think he is making it up?

The Deputy Chairman: Order, please. There is no requirement for the hon. member to table the document.

Mr. Beatty: Mr. Chairman, I have received a request and I would be glad to accede to it if I have unanimous consent to table the letter.

Some hon. Members: Agreed.

The Deputy Chairman: I would remind hon. members that to do so would be entirely out of order. If we were to allow hon. members to table documents every day we would have a tremendous problem just picking them up. In any event this is not in order.

Mr. Beatty: Mr. Chairman, I wonder if I might have an answer to my question. Did the minister authorize that letter to be sent? Surely the minister does not have to ask his deputy minister whether he authorized the letter.

An hon. Member: Let's hear the answer.

An hon. Member: Sit down and let him answer.

Mr. Stanfield: Mr. Chairman, I just want to support the request for an answer. This is the point I was making this afternoon. It is obvious from the way the government behaves that its ministers are not responsible. They do not respond to questions asked in the House. The government House leader said here tonight that we could ask questions and it is for the minister to decide which he will answer. I want to know whether we are to get answers, or whether this is a joke.

Some hon. Members: Oh, oh!

Mr. Stanfield: Those fellows in the back can make as much noise as they like, but we want to know whether the minister is going to answer.

Mr. Marchand (Langelier): On that point of order, Mr. Chairman, I would not mind this coming from anybody else but the Leader of the Opposition, because he surely knows from his vast experience what it is to run a department with about 100,000 persons involved. To ask me on the floor of the House whether I sent a letter and what was the reply is not fair.

Mr. Stanfield: If the minister wants to say that he would like to check this out, I am sure the hon. member will accept that.

Mr. Marchand (Langelier): O.K.

[Mr. Marchand (Langelier).]

Some hon. Members: Hear, hear!

Mr. Stanfield: There are a lot of smart alecks behind the minister. We want to know the answer, and we are very serious about this.

Mr. Marchand (Langelier): You are right. If the Leader of the Opposition asks me to check if I did send the letter I will check that, or find out if I sent it or somebody else sent it under my name, or under someone else's name. I am ready to do the research and give an answer to the House.

Mr. Woolliams: When are you going to do it?

Mr. Beatty: Mr. Chairman, I am wondering if perhaps the page could take a copy of the letter across to the minister in order that he might see if he sent it? After I asked the question this afternoon did the minister not bother to consult with his staff to get an answer?

An hon. Member: What were you doing between six and eight?

An hon. Member: Will you answer that?

Mr. Marchand (Langelier): That is not what you asked me to do this afternoon.

Mr. Beatty: I asked for an answer, and if the minister was serious enough I am sure he would have checked.

Mr. Marchand (Langelier): Would you allow me, Sir, to give you an answer tomorrow or the day after?

Mr. Beatty: Certainly, if you assure me I will get the answer.

Mr. Marchand (Langelier): Then let us not continue to take up the time of the House.

Mr. Beatty: Why did the minister not answer in that way before, rather than evading it?

An hon. Member: Why don't you learn a little sense?

Mr. Beatty: My next question relates to the third part of the study by the Canadian Transport Commission in respect of southwestern Ontario passenger service. Has the minister released report number three?

Mr. Marchand (Langelier): Do you have it now?

Mr. McKinley: You have had it since February.

Mr. Beatty: Is it the intention of the minister to answer, Mr. Chairman?

The Deputy Chairman: The minister has the opportunity to answer and it is up to him to decide whether he will reply.

Mr. Stanfield: This is the whole point. The minister has been asked a perfectly simple question, whether he has released the report. If he does not know the answer and would undertake to get the information I am sure that is perfectly satisfactory. Surely if the minister is not going to answer perfectly straightforward questions, that is

another matter. We want to know whether this is a serious procedure or a farce.

Mr. Marchand (Langelier): I think the Leader of the Official Opposition is right. I should look up the information and give him an answer.

An hon. Member: Why don't you do so?

Mr. Beatty: Has the minister yet sent the report to the affected members of parliament, the provincial members and the municipal councils?

Mr. Marchand (Langelier): I don't know.

Mr. Beatty: Will the minister answer the question, or does he need more time to check it?

Mr. Marchand (Langelier): Yes, certainly before 10.30.

Mr. Stanfield: He said "yes".

Mr. Beatty: Mr. Chairman, several times the minister and his officials have made reference to a tri-level conference which was to be held in Ontario to discuss the problems of passenger transportation, including the first report of the CTC suggesting that "The three reports are to provide a basis for discussions at a tri-level governmental conference to be held early in 1974, at which, it is hoped, a definition of policy with regard to public transportation in midwestern Ontario-Bruce will be achieved. "When is that meeting scheduled for, Mr. Chairman?

Mr. Marchand (Langelier): Excuse me, sir. I am at fault as I did not listen to the question. Will you repeat it?

Mr. Beatty: The question I asked was when is the tri-level conference, at which this report is supposed to be discussed, scheduled?

Mr. Marchand (Langelier): The tri-level conference is not organized by the Department of Transport but by the Minister of State for Urban Affairs. If you want to ask the Minister of State for Urban Affairs when the tri-level conference is to be organized I am sure he will provide you with that information.

Mr. Beatty: Mr. Chairman, perhaps if I pose my questions to the Minister of State for Urban Affairs he would give me better answers than those I get from the Minister of Transport.

Some hon. Members: Order, order.

Mr. Beatty: Apparently the minister who is responsible for transportation policy does not have the foggiest idea as to when these discussions are to take place. I would ask the minister whether he has read report number three?

Mr. Marchand (Langelier): Mr. Chairman, I regret it but this is strictly a narrow; political attitude.

An hon. Member: Oh, oh, oh, oh!

Some hon. Members: Order.

An hon. Member: You are being railroaded, Jean.

● (2200)

Mr. Marchand (Langelier): With that kind of a smile you will never win an election. The problem is that in the field of transportation the federal government is involved, the provincial government is involved, and the municipalities are involved. So if it is desired to have what we call a tri-partite meeting this must be organized by the Department of Urban Affairs.

Mr. Beatty: That is not what I asked. Have you read the report?

Mr. Marchand (Langelier): No, I have not. Have you?

Mr. Beatty: Mr. Chairman, is the minister telling us that he has had this report since it was prepared in February, 1974, and delivered to him, and since that time he has not yet read the report?

Mr. Marchand (Langelier): I did receive the report.

Mr. Beatty: Did you read it?

Mr. Marchand (Langelier): That is none of your business.

Mr. Beatty: Mr. Chairman, the minister is making a mockery of the proceedings of this House. He already indicated he has not read the report. He has had it since February, 1974, and has sat on it since then.

Mr. Marchand (Langelier): Mr. Chairman, it would be childish in this House to mention all the reports I read and those I do not read. If you have some time to spare, come to my office at eight o'clock in the morning and I will give you material to read for hours and hours.

Mr. Beatty: What the minister is saying now is that he does not know whether he has read the report, or perhaps he does not care. That certainly is typical of his attitude. I am wondering whether he has discussed the report with his own officials, and whether he is satisfied with the methodology used in the survey?

Mr. Marchand (Langelier): The report is being discussed with officials of the Ontario government at all levels. It is to be discussed by Mr. Rose and myself.

Mr. Beatty: That is not the question. I asked the minister whether he is satisfied with the methodology of the report. Does he feel it was fairly and competently prepared, and that the conclusions it draws are justified?

Mr. Marchand (Langelier): I know the hon. gentleman knows all these answers. I do not have all the answers, I regret to say.

Mr. Beatty: Does the minister have any of them?

Mr. Marchand (Langelier): Mr. Rose does not have all those answers either.

Mr. Beatty: I would hope he would have some answers which would be better than what the minister has been giving us so far. This survey, which was taken of more

than 1,200 families in the area, was released to the minister in February, 1974, and he has yet to release the report to the public.

The study was supposed to have been used as a basis for tri-level discussions. The minister has yet to make the report available to the federal members of parliament from the area, or to the provincial members of parliament from the area, or to the municipal councils in the area. He has not yet read the report.

Mr. Marchand (Langelier): Maybe the hon. gentleman would tell us whose report it is.

Mr. Beatty: Mr. Chairman, it was prepared by the Canadian Transport Commission. If the minister cannot get his hands on it I could lend him my copy.

Mr. Marchand (Langelier): Do you think I control the Canadian Transport Commission?

Mr. Beatty: The report at page nine states:

> In a letter sent April 3, 1973, to the Hon. E. J. Benson, President of the Canadian Transport Commission, the minister referred to expressions of concern by the public and members of parliament that public transport services in the region were inadequate or in some cases non-existent, and requested that the commission, in cooperation with provincial authorities, undertake a review of the situation.

Is it not established procedure that when a minister personally requests that a report be made the report is made available to him?

Mr. Marchand (Langelier): May I shed some light here. I am told by the Minister of State for Urban Affairs that on Friday he will meet with Mr. Rhodes Irving on this report and start the study in order to find a solution. Perhaps some day the Minister of Transport will be invited, but for the time being I am out of the picture.

Mr. Beatty: The minister has been out of the picture for the whole of the two years that I have been here.

Some hon. Members: Oh, oh!

Mr. Beatty: It is worth knowing about this report. It was prepared at the request of the minister for him. The minister has either refused or been incapable of answering any of the questions I have asked him. I want to make some general comments briefly with respect to this report. The report is a fallacious document. It was designed in such a way that it discriminates against railway passenger service in the area and is in favour of bus passenger service. It is a piece of flim flam.

The report was incompetently prepared. It asks such questions of respondents as whether they would rate comparatively the convenience of arrival and departure times of business and trains. Considering that there have not been any trains in the area for four years, it is hardly relevant for them to be asked for a judgment on departure and arrival times. It also asks for comparative judgments with respect to keeping door to door travel time to a minimum.

It is interesting to note that the report itself shows that fully half of the people in the region who were consulted live within five miles of a bus service, but that three quarters of them are 25 miles or more from train service.

How are they to respond to such a question, and how are they to respond to a question about keeping costs to a minimum for travel from door to door if it requires a person to take a cab for a 50 mile ride when a bus is available within five miles?

It has been the experience of people in southwestern Ontario that the government has systematically ignored their needs. The government has had this report, which was obviously designed to damage the case for the restoration of railway facilities. It sat on it throughout the election, although the minister had it delivered to him. During that time Liberal candidates were permitted to say that they were in favour of train service restoration, when in fact the government's recommendation here was obviously that buses should be preferred to trains. I ask the minister whether or not he is prepared to release the report? Will he table the report this week?

Mr. Marchand (Langelier): Is there a by-election in your riding next week? Mr. Chairman, the hon. member knows very well that I am not at all bound by this report which was prepared by the CTC.

Mr. Beatty: I ask the minister whether he will table the report in the House this week.

Some hon. Members: You have it already.

Mr. Beatty: Yes or no? Other affected members of parliament from the area, including the hon. member for Bruce who is in the minister's own caucus, do not have copies of the report. Will he table it this week?

Apparently the minister is not willing to answer that question either. When the report is available I want to make an offer to members on the government side that, if the minister will not give them a copy of it, I would be willing to lend them mine. I hope that at the time they consider the report they will recognize the fact that the survey was incompetently carried out, and that it was structured in such a way as to destroy the case for the restoration of the railway service. I think it is incumbent upon anybody who goes to a tri-level conference, or to any other discussion dealing with the matter of the restoration of the railway passenger service in southwestern Ontario, to ensure it is fully understood that conclusions reached in Part III of the study are not valuable for any discussions and should be completely disregarded.

● (2210)

Mr. Marchand (Langelier): Mr. Chairman, I have only one word to add. I am very worried about the passenger train service in Canada, and particularly in southwestern Ontario.

Mr. Beatty: So am I.

Mr. Marchand (Langelier): Maybe you do not believe it—and I do not mind that—but I do mind and I hope in a few years we are going to improve all this. We started with the Richmond Hill-Toronto—

Mr. Beatty: That is not in our area.

Mr. Marchand (Langelier): Oh, that is past, but there are some future—

Mr. Beatty: That is not in our area. That is Toronto.

Mr. Marchand (Langelier): Oh, yes; Toronto is not in Canada.

Mr. Beatty: It is not in southwestern Ontario.

Mr. Marchand (Langelier): This part you are interested in, I am interested in too and I hope we are going to find a good passenger service. I believe deeply in this, and I hope that together we are going to do something that will be worth while for the people.

An hon. Member: You are getting emotional.

Mr. Marchand (Langelier): No, I am not getting emotional and whatever CN and CP tell you, I will try to give this service to the people. If I do not succeed maybe somebody else will be found in Canada to do it.

Mr. Orlikow: Mr. Chairman, last March when he met representatives of the Canadian Railway Labour Association the minister is quoted as saying to them:

> It the transportation situation continues in the mess it is now, I don't want to stay in this job. Someone else can manage this department.

Then he said:

> I can't manage transportation in Canada. If you ask who is managing transportation policy, I say to you I don't know.

I am sorry to say it, Mr. Chairman, but on the basis of what we see tonight I think there is still nobody managing transportation policy.

That was last March, Mr. Chairman. A few months later we got into an election. The Prime Minister went across the country and talked about what the government would do to improve urban transportation if re-elected. He said that a government which he led would spend some $300 million for urban transportation in the next five years, that it would pay out $100 million for transit vehicles, and $50 million for commuter vehicles. Mr. Chairman, that is a small percentage of what we are likely to require.

The Prime Minister promised that the federal government would pay 25 per cent of the cost of urban transit vehicles—buses, street cars, subway cars. Toronto alone estimates it will need 200 new subway cars and 200 new street cars in the next five years. Montreal expects to need 400 new subway cars in the next five years, and will be spending something over $400 million on the electrified subway system to link Dorval and the Mirabelle airport. Other cities also need buses and subway trains. A rough estimate is that in the next five years they will be spending over $900 million for urban transit, which is twice as much as the Prime Minister promised during the election.

I should like to ask the minister whether his department is reviewing the needs of the cities in the field of urban transit, whether it will increase the $100 million which the Prime Minister promised and, if not, when the cities can begin to see some of that $100 million which he promised during the election?

Mr. Marchand (Langelier): Mr. Chairman, there is no doubt we intend to review that.

Mr. Orlikow: Mr.Chairman, at one point during this sad evening the minister asked us not to be political or partisan. I am simply asking when the people in the cities of Canada, who elected a large number of Liberal members, will begin to see some of this $100 million which the Prime Minister promised during the election campaign?

The Prime Minister also promised $50 million over the next 10 years for commuter vehicles, mainly trains. Commuter vehicles in Canada are essentially used to bring people into Toronto and Montreal. I know the minister is very interested in Montreal. Can the minister tell us when the cities can expect some assistance with the purchase of buses and subway cars? When will the people of Toronto, Montreal, and their suburbs see some of the money for commuter cars which the Prime Minister talked about during the election?

Mr. Marchand (Langelier): Mr. Chairman, there are a certain number of things I cannot stand. One is this narrow way of tackling problems by saying, "You are interested in Montreal". My constituency is in Quebec, not Montreal. I am interested in Vancouver, Calgary, Winnipeg, Hamilton, Halifax and all the rest of Canada. That is why I am in this House. No one can find anything that I have done since I have been here—

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): I presume the applause will extend to the next part of my statement. I have not done anything for political purposes. I am in politics and like all members I believe in this country. As a minister, I believe I should serve all the country, not just part.

Some hon. Members: Hear, hear!

Mr. Orlikow: Mr. Chairman, this is the first time this evening I have found anything to agree with which the minister has said. He says that he is not a minister who represents only the city of Quebec. I am not a member who represents only the city of Winnipeg.

I do not think there is anything wrong with asking the minister when we can expect some action on a promise which his leader, the Prime Minister, made during the election, namely, that the federal government is prepared to spend $100 million for buses and subway cars and $50 million for commuter trains. Because I am not from Toronto or Montreal I do not think it is improper for me to ask the minister if the Prime Minister was serious when he made those promises? If he was serious, when will we begin to see the implementation of those promises? I have not received an answer to those two questions.

A few minutes ago the minister said there is one thing he is interested in, and that is improving passenger service. Even if the CNR and CPR are not interested, by God he will see that they improve passenger services or there will have to be another minister.

Let me go to another promise which was made. The Prime Minister promised that the government would set up an inter-city passenger rail service. A new Crown agency, the Canadian passenger transportation corporation, would be established to take over all inter-city passenger rail service.

● (2220)

Three steps would be needed to implement such a policy. Legislation would be required to set up a corporation. We would need to introduce high speed inter-city trains, and introduce new concepts of rail travel leading to the elimination of level crossings and so on. This would take between seven and ten years to achieve. I am wondering when we are to see the beginning of this Canadian passenger transport corporation.

I used to find it most convenient to take one of the many trains between Ottawa and Montreal. Nowadays there are not many trains on this service. Meanwhile, the government is investing hundreds of millions in developing the STOL aircraft. Will the minister continue putting more millions into STOL, which will only meet the needs of a few highflying executives, or will he go back and give us some really good rail service between Ottawa and Montreal?

[*Translation*]

Mr. Marchand (Langelier): Mr. Chairman, I would be tempted to be mean and I believe I shall not resist the temptation. It is rather strange that that hon. member, who is well known in Canada, whom I met before going into politics, who even came to see me at the time when I was general secretary of the Confederation of National Trade Unions fighting for the rights of man, then seemed to be very objective.

Today, of the two figures quoted for the STOL experiment, that is mine of $25 million and that of Mr. Sinclair, chairman of the CP, he chooses the latter's, naturally. Of course, I recognize the great socialist spirit of the hon. member for Winnipeg North (Mr. Orlikow): In any event, I say simply—it may be mean but not quite as much as the hon. member has been—that on March 7 last, I made a speech in the House on the transportation system, and then a general election was called much sooner than I had foreseen.

Mr. Chairman, during the election campaign, we said exactly the same things that we had said in our speech. In the Speech from the Throne, we find again exactly the same promises. We are about to come up with the programs we announced then. Let anyone find a government, whether NDP, Liberal or Progressive Conservative, which was as quick as this one has been and I shall raise my hat to him. If he cannot find one, I will just say that this is the meanness of a man who is unworthy of the great ideas he is fighting for.

[*English*]

Mr. Orlikow: Even on one of his bad days—and this is one of his bad days—when the minister gets angry he is a good stump speaker. I have been around this place and other legislative bodies long enough to know that any government, particularly a Liberal government, takes a long time before it implements new programs.

If the minister believes it is going to take some time to set up the Canadian passenger transport corporation I would not argue with him. But the Prime Minister, when he made that promise, gave some specific figures—$100 million for transit vehicles, $50 million for commuter vehicles, $50 million for research and development, $25 million for rail relocation and $75 million resulting from the removal of the 12 per cent sales tax. This represents a package of $300 million over five years. I want to know whether the Prime Minister meant that this $300 million would be spent three years from now, in other words, just before the next election.

A sum of $300 million over five years means $60 million a year. I am not saying that we have to spend $60 million each year, but will any of this money be spent in the next year? That is a very simple question I should like to have answered. I am trying to be as objective as I can, and to get some idea what the Prime Minister meant when he made these promises to the people of Canada.

[*Translation*]

Mr. Marchand (Langelier): Mr. Chairman, the less time we waste in the House because of the hon. member, the quicker we shall come to the projects mentioned in the Speech from the Throne.

[*English*]

Mr. Orlikow: Someone says I should raise a question of privilege, but I do not need to do so. If the minister really believes that asking questions in the House, or outside the House, about when the people of Canada can expect to get a program promised them by the Prime Minister is wasting the time of the House, then I might as well sit down now, Mr. Chairman.

Mr. Knowles (Winnipeg North Centre): There was not much point sitting on a Wednesday evening.

Mr. Ellis: Mr. Chairman, my question is extremely brief and there may be time for one or two more before we break at 10.30. Unlike some of the questions asking for information asked a few minutes ago, the minister has had lots of time to consider my question. I have asked him this in correspondence over a number of months. I asked him last week in the House, and he promised me that he would have the answer. Now a week later I once again ask him whether we are going to get the report on the fatal accident at Frobisher Bay involving an aircraft and, if so, when?

Mr. Marchand (Langelier): Mr. Chairman, all I can say is that the report is on my desk. I informed some members of the House that I had the report; it has not been translated yet, and that is all. If the House would give unanimous consent to accepting the report without its being translated, then I am ready to table it, but I doubt whether that is a good procedure. I have the report, and I have told important people in the House that I have it.

Mr. Ellis: If I may continue, would the minister, who promised me the report would be tabled last week, tell me when the report in both languages will be tabled?

Mr. Marchand (Langelier): If the hon. gentleman can tell me how long it takes to translate the report, I will give him the exact hour when it will be tabled.

Mr. Stanfield: Mr. Chairman, the minister has been good enough to send me over a note saying that he had a copy of the report. I do not think it would be any abuse of confidentiality to tell the committee that the minister

would either let me see it, or he would table it with consent. I sent him back a note saying that in the circumstances it would be advisable for him to table the report without waiting for the translation.

Mr. Marchand (Langelier): I think the Leader of the Opposition is entirely right. He told me that as leader of his party he did not oppose the tabling of the report in the circumstances outlined. Unfortunately, I have not had the same response from the other leaders.

The Deputy Chairman: Order, please.

Mr. Broadbent: Mr. Chairman, before we see the clock at 10.30, the minister suggested earlier in the evening that he was prepared to introduce a bill in the House very soon requiring disclosure from CPR and CNR of all relevant information in terms of determining real cost. Can we get from the minister tonight some clear indication of precisely when he expects to do this?

Mr. Marchand (Langelier): I am in the hands of the House leader on this. As soon as he tells me that he has the agreement of all parties—

Mr. Knowles (Winnipeg North Centre): He has it now.

● (2230)

Mr. Marchand (Langelier): I think it would be a good thing to have it as fast as we can.

Progress reported.

Mr. Deputy Speaker: It being 10.30 o'clock, the House stands adjourned until 11 o'clock a.m. tomorrow, pursuant to special order made Thursday, October 3, 1974.

At 10.32 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 24, 1974

The House met at 11 a.m.

MESSAGE FROM THE SENATE

[*English*]

Mr. Speaker: Order. I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-8, an act respecting the use of national safety marks in relation to motor vehicle tires and to provide for safety standards for certain motor vehicle tires imported into or exported from Canada or sent or conveyed from one province to another, to which the consent of this House is desired.

ROUTINE PROCEEDINGS

[*English*]

PRILIVEGE

MR. REYNOLDS—REFERENCE TO STATEMENTS BY MINISTER OF TRANSPORT AND MEMBER FOR VANCOUVER EAST

Mr. Speaker: The hon. member for Burnaby-Richmond-Delta on a question of privilege.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I rise on a question of privilege of which I have given notice, and I have also given notice to the members that it affects. Yesterday during the committee of the whole proceedings on the transportation estimates I was questioning the Minister of Transport (Mr. Marchand) regarding the use of search initiator buoys with respect to which the government passed a regulation to the effect that they should come into operation on July 1 last year. When I asked the minister why they had not come into operation, in his first answer to me he said, as reported at page 677 of *Hansard*:

> There are certain technical problems which we did not overcome. We are trying to solve them and will consider the situation.

I then continued questioning the minister on that and other matters. When I finished my statement I said to the minister that this was an extremely important matter in the province of British Columbia. There are a lot of tugs operating in Canada and people are dying every year because they are being sunk. I wanted to know if he could really give me an answer as to why these regulations had not been put into effect. Although he said previously there had been technical problems, the minister then said to my amazement "the regulations are in effect. There is no doubt about that." The fact of the matter is that the regulations are not in effect, and I will read a telegram in a moment or two from an individual who is involved and has made a statement on this.

● (1110)

The question I want to raise now relates to a question of privilege raised by the hon. member for Vancouver East (Mr. Lee), and I should like to quote from this statement made yesterday:

> A question of privilege, Mr. Chairman. With all due respect to the hon. member for Burnaby-Richmond-Delta, as a member from British Columbia I worked very closely all this time with members of the Canadian Merchant Service Guild on the west coast and made representations to the Department of Transport. They are well aware of the problem that we brought to their attention. As a matter of fact, I just spoke to Captain Arnie Davis who is the Secretary-Treasurer and he indicated to me that the regulations are in force on the west coast.

That statement totally refuted what I had been saying to the minister, that these regulations were not in force and were not being enforced. So, I called Captain Arnie Davis and asked him whether he had made this statement to the hon. member for Vancouver East (Mr. Lee). He was puzzled and sent me a telegram which I should like to read, as I think it refutes what the minister and the hon. member for Vancouver East have said to the effect that the regulations are in force. The telegram reads:

> Research initiator buoy regulations. This is to confirm that to the best of my knowledge the named regulations have not and are not in force on the west coast of Canada as of October 22 1974. A.W. Davis Secretary Treasurer western branch Canadian Merchant Service Guild.

That is the same gentleman referred to by the hon. member for Vancouver East in his statement last night. I bring this forward this morning because it is an extremely important matter. While I realize you may say this is argument, these members have made statements in this House that are untrue, and I think we should have some answers from the other side.

Mr. Art Lee (Vancouver East): Mr. Speaker, I did speak with Captain Davis this morning about the conversation we had last night. There may be some room for error but I am quite sure I specifically asked him whether the regulations were in force. There may be some indication that we were talking about two separate things, and he may have answered in the affirmative to something else I had asked. When the hon. member asked about that specific aspect I spoke to Mr. Bonn of the Marine Safety Inspection Department this morning and he said the regulations are in effect.

Mr. Speaker: Order, please. Ordinarily I think this matter would be strictly a matter for debate. However, since the hon. member for Vancouver East (Mr. Lee) did raise it yesterday on a question of privilege, and as the hon. member for Burnaby-Richmond-Delta (Mr. Reyn-

olds) gave me notice this morning, I thought perhaps there might at least be an opportunity given to the hon. member for Burnaby-Richmond-Delta to present his comments on the question of privilege. As the House will know, there was no motion following the hon. member's question and, therefore, no action is called for by the Chair.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

NEED FOR POLICIES TO STIMULATE PRODUCTIVITY—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, as the figures released this week by Statistics Canada show that the index of real product, which is the real growth in the economy, has decreased since the end of the second quarter, the period for which Statistics Canada reported zero growth in the economy, can the Minister of Finance indicate when we may expect an announcement of new policy to produce that increase in production the minister has stated many times in this House must be attained if we are going to wrestle inflation to the ground?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if new policies were to be announced they would be announced budget night.

Mr. Hees: Mr. Speaker, when the minister brings forward his budget in two or three weeks can we expect an announcement in respect of policies that are going to be more effective than the hot air of the last three budgets which has produced nothing but stagflation?

* * *

FOREIGN INVESTMENT

PROPOSED TAKEOVER OF T. EATON COMPANY BY J. C. PENNEY COMPANY OF UNITED STATES

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Could the minister confirm or deny the recently published report regarding a possible takeover of the T. Eaton Company by the J. C. Penney Company of the United States?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I cannot.

Mr. Friesen: Mr. Speaker, could the minister then assure this House that in the event these allegations prove to be true that he will do everything in his power to keep the company truly Canadian?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I believe the hon. member is referring to the takeover of a Canadian company by foreign interests. Rules have already been established and I must remind the hon. member that the matter falls within the jurisdiction of the Minister of Industry, Trade and Commerce. I shall certainly draw his attention to the matter the hon. member brought up.

* * *

[*English*]

HEALTH

GOVERNMENT MEASURES TO ENSURE ADEQUATE INSPECTION OF MEAT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the fact that yesterday in the House the minister said that it would require having a health inspector in every store in the country every day to obtain adequate inspection of meat, and since presumably he could not mean this seriously and was not suggesting that it be taken seriously, I should like to ask the minister in view of what the Chairman of the Food Prices Review Board had to say yesterday on the same subject whether he is reconsidering his position and taking steps to ensure that meat sold at the retail level across the country from time to time will receive adequate inspection.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my statement of yesterday still stands. I might go even further and say that to ensure completely safe meat we would have to almost have an inspector in every house, because there is no guarantee concerning what happens between the time this meat is sold in the store and the time it is consumed. The inspection which is being carried on at the present time is being carried on with all due diligence. As I said yesterday steps have been taken, since the report of the Food Prices Review Board of last June, to improve the situation even further and we will keep on improving it.

Mr. Broadbent: I have a supplementary, Mr. Speaker. Once again the minister has proceeded in an entirely erroneous way. The question I ask does not pertain to what happens to the meat after it leaves the store until it is cooked, but rather what happens to it while it is in the store. In view of the fact that the Chairman of the Food Prices Review Board has said that the level of excrement, which the minister considers to be acceptable in meat, is potentially—and I say this in all seriousness—fatal, I should like to ask the minister if he would have his officials reinvestigate this matter and square it with the information provided by the Chairman of the Food Prices Review Board.

[*Translation*]

Mr. Lalonde: Mr. Speaker, the comments of the hon. member indicate that he himself does not take the matter very seriously. I refer him to my statement to the House, yesterday, which still stands. Indeed, I explained the events that have taken place: improvements have been made since the tabling of the commission's report in June 1973, and more will be made. I refer in particular to changes to the regulations which have now been under way for several weeks and which, I hope, will become official in the near future.

[*English*]

● (1120)

Mr. Broadbent: Mr. Speaker, considering that ten days ago the minister said that it is appropriate for Canadians to drink milk, provided it is in powder form, and now it is being said that they can eat excrement, provided it is well cooked, I ask the minister if it is his view that an agricultural producing country like Canada cannot guarantee food at reasonable prices and in safe condition.

[*Translation*]

Mr. Lalonde: Mr. Speaker, the hon. member is getting carried away by his own imagination. Let him consult my statement to the House yesterday. If he will kindly listen to the answer, he can then perhaps draw a conclusion. I would ask him to kindly check my statements on the matter. If he does so, he will find that there is no relation between them and what he has just said.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

In view of the consumers' constant concern for the quality of ground beef and the position adopted by the Chairman of the Food Prices Review Board, could the minister reassure the House and Canadian consumers as to the quality of ground beef in Canada?

Mr. Lalonde: Mr. Speaker, may I refer once again the Leader of the Opposition to the replies I made yesterday in the House, when I clearly indicated that millions of bacteriae are breathed in and consumed daily by every citizen, and that it is impossible to find a completely sterile environment in which to live. As to the quality of minced meat, for the information of the Leader of the Opposition, there has not been, over the past year, a single case of food poisoning through minced beef consumption reported by a Canadian hospital or health institution. Not a single case reported to date.

REQUEST FOR AID OF MINISTER OF AGRICULTURE IN ENSURING ADEQUATE INSPECTION OF MEAT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask a supplementary.

The minister talks a lot, but he simply adds to the worry of the Canadian people.

[*English*]

I should like to put a question to the Minister of Agriculture. In view of the continuation of this sloppy inspection system and the resulting effect of this on the farmers who are delivering a clean product to the market, is the minister prepared to take on the Minister of National Health and Welfare to get him to provide adequate inspection as well as to take on the Minister of Consumer and Corporate Affairs to do something for the farmers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the different departments of the government are known for their co-operation. As I said the other day, we work very closely together to make sure that the public of Canada is protected better than any society in the world.

SUGGESTED INCREASE IN INSPECTION CAPABILITY OF DEPARTMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the regulations which the minister has statutory authority to enforce through the Food and Drug Act which state that no one shall sell any food unfit for human consumption, and in view of the findings of the Food Prices Review Board through their investigators that in some stores meat was sold which was unfit for human consumption, may I ask the minister what he proposes to do to carry out his statutory responsibilities to increase his inspection capability to ensure that meat unfit for human consumption is not being sold in Canada at retail level?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, in any case where there is precise proof that meat unfit for human consumption has been sold, proceedings will be instituted under the regulations. It will involve not only cases reported by my department's inspectors but also any one which might be spotted by any organization or any person.

Should the board want to report special cases to the attention of my department, I hope it will immediately communicate with it and give particulars about them.

[*English*]

REQUEST FOR INCREASED SAMPLING OF MEAT

Mr. James A. McGrath (St. John's East): Mr. Speaker, a final supplementary on a question of national urgency. In view of the importance of this question to the health and peace of mind of Canadians will the minister now undertake to carry out the recommendations of the Food Prices Review Board and at least increase the amount of sampling that is being done across the country, bearing in mind the lack of inspection capability. In that way at least we would be able to get a clearer picture of just how serious this matter is.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have already given such directives and they are being put into effect. But one must retain some sense of perspective in all this. As indicated, consumption of ground beef runs in the hundreds of million pounds a year. The government cannot possibly inspect each and every pound nor even every hundred pounds of meat before it is sold.

There are limits to what can reasonably be done. Directives have been given to increase the quantity and quality of inspection, but I repeat that one should retain a sense of perspective in all this. I would like to repeat the answer I gave the hon. member yesterday, which is that all the information we have now shows that this high level of bacterial elements in ground beef does not itself represent any danger for Canadians.

I hope all those making remarks about this now will keep this sense of perspectives, because excessive statements on this cannot be of any help to Canadians.

* * *

[*English*]

IMMIGRATION

ALLEGATION PROSTITUTES FROM UNITED STATES COMING TO VANCOUVER—GOVERNMENT ACTION

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I have a question for the Minister of National Revenue. In view of the fact that three summer legal students who worked for the Vancouver police department reported yesterday on the Jack Webster show that truckloads of prostitutes and their salesmen were coming across the border from Washington state to Gastown in Vancouver—

An hon. Member: More bad beef!

Mr. Whittaker: —on a regular basis can the minister report on this and what is he going to do about it?

Mr. Clark (Rocky Mountain): How do they vote?

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, I have no personal knowledge of the situation to which the hon. members refers but I shall take it up immediately with my colleague the Minister of Manpower and Immigration.

Mr. Andras: On a question of privilege, Mr. Speaker. Neither am I an expert.

Mr. Basford: Mr. Speaker, I think either one or both of us should go to Vancouver to investigate. I will of course confer with my colleague. He administers the immigration policy and I the customs policy. We will endeavour to ensure, so far as inspection procedures allow, that there is no influx of American criminals into Canada.

Mr. Hees: Trudeau will use his famous phrase to tell them what to do.

* * *

[*Translation*]

THE CANADIAN ECONOMY

REQUEST FOR MEASURES TO CONTROL INFLATION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I have a question for the hon. Minister of Consumer and Corporate Affairs.

Since according to Statistics Canada the cost of living increased 15 per cent in the last few months and that it keeps on climbing, that the cost of living adjustment index seems to be levelling between 7 and 8 per cent, does the minister intend to take the necessary measures to adjust the purchasing power to present inflationary costs?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, in the throne speech, the government announced a series of measures to fight inflation.

* * *

● (1130)

[*English*]

FINANCE

INSTRUCTIONS TO COMMERCIAL BANKS CONCERNING DEALINGS IN FOREIGN EXCHANGE

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. Given the fact that since the introduction of floating exchange rates around the world several banks in major countries have failed, what conversations has the minister and the Bank of Canada had with the commercial banks of Canada with respect to their dealings in foreign exchange markets.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we have had conversations dating back at least six months with the chartered banks, through the Canadian Banking Association. Both the governor of the bank and I have had these conversations. We were assured that Canadian chartered banks have taken very strict surveillance procedures to ensure that the Canadian banking system remains in its current sound condition.

INSTRUCTIONS TO COMMERCIAL BANKS CONCERNING OPERATIONS IN EUROPEAN COMMON MARKET

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as the hon. gentleman directed a question to me, through the Acting Prime Minister, on October 21 relating to the Eurodollar market, perhaps you will allow me to reply at this time. I assume the hon. member at that time was referring to the Eurodollar market. The Bank Act states that Canadian banks must maintain adequate and sufficient assets against liabilities incurred in foreign currencies. It does not, however, give to the governor of the Bank of Canada, the Department of Finance or the Minister of Finance authority to regulate borrowing activity of commercial banks abroad or in foreign money markets. I assure the hon. member that the operations of our banks in foreign currencies are closely followed both by the Bank of Canada and the federal Department of Finance.

Mr. Gillies: Mr. Speaker, may I direct a supplementary question to the Minister of Finance. Given the fact that foreign exchange reserves of Canadian banks and their dealings in the common market have increased to an enormous extent, does the minister not feel that he can use moral suasion, particularly as common market activities are having such an impact on international inflation, with Canadian banks and ask the chartered banks to operate less substantially in those markets?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, it is also in the interest of the country that our banks operate abroad. Actually, we now have the third largest international banking system. It is because of that growth that there have been consultations between the Bank of Canada and the chartered banks.

GOVERNMENT POSITION ON DEALING WITH INTERNATIONAL INFLATION

Mr. James Gillies (Don Valley): May I ask a final supplementary, Mr. Speaker. Does the minister take the position that, in international inflation as with domestic inflation, we will not be able to do anything about these problems without taking action of a specific nature along the lines I have suggested.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I agree with the thrust behind the hon. member's question. The problem we must deal with on an international basis is that of total international liquidity, particularly in the Eurodollar market. That will be one of the subjects to be discussed at the next meeting of the interim committee of the International Monetary Fund.

* * *

HOUSING

TREFANN COURT—AGREEMENT WITH CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In light of the fact that housing units in Trefann Court in Toronto have been awaiting a decision by Central Mortgage and Housing since mid-July, could the minister indicate to the House when an agreement might be made to settle this matter and allow the houses to be filled.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am also disturbed about the delay with relation to Trefann Court. Active discussions have been going on. I think there should be an announcement either this week or next week which will provide a satisfactory resolution of problems for all the parties concerned and will ensure that the management of the Trefann Court project will achieve its aims. I particularly want this excellent project to be an exemplary one. Arrangements have been made to make it a good ongoing project and I hope to announce something soon.

* * *

GRAIN

WHEAT—TIMING OF REQUEST FOR RETURN OF OVERPAYMENT UNDER TWO-PRICE SYSTEM

Mr. Craig Stewart (Marquette): Mr. Speaker, may I direct a question to the minister responsible for the Canadian Wheat Board. During the recent election campaign the minister in charge of the Wheat Board mailed cheques to western farmers covering their share of the two-price wheat payment. Now, his department claims that 80 per cent of the farmers were overpaid and they have been asked to return the money. Will the minister tell the House if this was another election bribe or is he seriously thinking he can recover this overpayment?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the cheques in question were only mailed to special permit holders. I want to make that clear so that there is no misunderstanding about the breadth of the distribution. The cheques were mailed as soon as the full amount could be calculated and the money voted some months before the election. The letters which were mailed immediately before the election were letters indicating overpayment which had regrettably happened as a result of computer error. Of course, it is still our obligation to collect money which was paid in error in that fashion. A good deal of it has already been returned.

Mr. Stewart (Marquette): A supplementary question, Mr. Speaker. Can the minister tell the House, if a mistake was made, how come 80 per cent of the farmers received overpayments and none received underpayments, and how is it that the cheques were mailed out over one month before the election and none of the farmers received letters notifying them of the overpayment until after the election?

Mr. Lang: Mr. Speaker, I want to make it clear that it was computer mistake which led to overpayments. Let me say most emphatically to the hon. member that many farmers received their letters requesting repayment before the election, and it was brought to my attention directly at that time.

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SCIENCE AND TECHNOLOGY

CONTRACTING RESEARCH TO PRIVATE INDUSTRY—REASON FOR FAILURE TO IMPLEMENT GOVERNMENT POLICY

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of State for Science and Technology. According to data just released by Statistics Canada, the proportion of federal government funds for scientific activities which are contracted to private industry has remained essentially stagnant for the last few years. Since this is in direct contradiction to government policy as stated by the minister's predecessor once removed and repeated by his immediate predecessor, what steps is the minister taking to ensure that government policy will finally be implemented?

Hon. C. M. Drury (Minister of State for Science and Technology): Mr. Speaker, the effectiveness of the contracting-out measures is the result of a number of causes. Also, there has not been entire success in the private sector in continuing previously started initiatives. The result has been a balance. We are continuing to contract out, in preference to executing work within government establishments, and the results in the next few years will show that this has been successful.

SUGGESTED APPOINTMENT OF FULL-TIME MINISTER

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister. As current federal government policies respecting science and technology are not being implemented and as the last two throne speeches contained reference to enhanced activity for this ministry, can the Acting Prime Minister indicate when the government will appoint a

competent full-time minister who will be responsible for the ministry.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I know of no more competent colleague than the one sitting to my right.

* * *

GRAIN

WHEAT—TIMING OF REQUEST FOR RETURN OF OVERPAYMENT UNDER TWO-PRICE SYSTEM

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question arises out of the answer given by the Minister of Justice. I wonder whether that computer was directed in any way from the Liberal organization head office, because the letters asking for repayment were dated some two weeks before the election and none, that I know, were received until about two weeks after, when they would no longer affect the government vote in western Canada.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, since there is considerable interest on the part of hon. members, I will obtain the actual dates and make them available to hon. members. As I indicated before, it was brought vey forcibly to my attention before the election that the letters were in fact being received. The first instance which came to my attention of letters being received was when I happened to be in Assiniboia constituency.

Mr. Diefenbaker: What about Humboldt?

Mr. Lang: That did not affect the voting results, as we have a very good Liberal member in the constituency. I will also check on the exact date the cheques were mailed. I know, however, that they were mailed about one month before the election being called. As you will recall, there was a movable feast at that point.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, I rise on a question of privilege in connection with the statement just made by the minister concerning the movable feast that the western farmers had. He said that the cheques were mailed out at least two or three months, was it, before the election was even called. Let me give the answer to the minister, for apparently the production adviser has not informed him. The production adviser states in this letter that the cheques were dated May 27—this would be about 17 to 18 days after the election was called—and that they were mailed between that date and June 3. I point out that this was simply an election bribe that did not work.

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FISHERIES

SUGGESTED CLOSING OF HAMILTON BANKS DURING SPAWNING SEASON

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is for the Minister of Fisheries. As fish landings in Atlantic Canada, particularly off Newfoundland and the northeast coast of Labrador have declined this year and in recent years, can the minister tell the House if he will act on the recommendations which were made to his predecessor by the Newfoundland government and the private sector with respect to the need to close the Hamilton Banks during the spawning season? Scientists, including people in the minister's own department, have stated that this is probably the main reason that fish landings have declined in that area in recent years.

● (1140)

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, this is one question that I intend to discuss with the new minister of fisheries for Newfoundland. I am hoping that he and I can get together within the next 10 days. One of the problems in this area, as the hon. member knows, is that this has to be done by international agreement. We shall be looking into the matter at the next ICNAF meetings but, like many other things, they move much too slowly for our satisfaction.

ALLEGED INABILITY OF CANADA TO ENFORCE ICNAF AGREEMENTS

Mr. Walter C. Carter (St. John's West): A supplementary question, Mr. Speaker. In view of the statement made to the parliamentary committee on fisheries by Mr. Levelton, who I believe is the director general of the fisheries and marine service in the Department of Fisheries, to the effect that Canada is unable at the present time properly to inspect and enforce ICNAF agreements respecting ships fishing on the Hamilton Banks, can the minister tell the House whether there are any plans in his department to increase our inspection capability to ensure that the ICNAF agreements, and quotas under the agreements, are adhered to by foreign ships fishing in the area?

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I would have to check the exact words that the director general used, though I am not quarrelling with what the hon. member has said. Obviously, there is a limitation when you are operating under an international agreement. We are trying to improve control and inspection in this area. I would also remind the House that cost is one factor we have to consider. There are many programs that are very important to the fisheries, and I would hate to see them sacrificed to surveillance costs only.

Mr. Carter: Mr. Speaker, I think the minister should bear in mind that the cost to the economy of the areas in question is considerable. I do not think that costs should be the over-riding factor.

Mr. Speaker: Order, please.

ABORTION

ALLEGATION MINISTER OF JUSTICE IMPOSING PERSONAL VIEWS ON HOSPITAL COMMITTEES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I also have a question for the Minister of Justice. In view of the recent memo that the minister forwarded to many hospitals setting forth his personal view on the subject of abortion and his personal interpretation of the Criminal Code, and in view of the minister's implied threat with respect to prosecutions of legally constituted hospital abortion committees and his obvious lack of confidence in the medical profession, would the minister advise the House whether he considers it to be part of his role as Minister of Justice not only to administer the laws of Canada but also to interpret those laws, and thereby usurp the function of our courts?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I should like, first of all, to make it clear that the only hospital committee to which I addressed myself in a way that I was aware of was the hospital committee in the Territories for which I am Attorney General, as though I were a provincial attorney general. In the case of other provinces, I drew to the attention of the attorneys general the nature of the 1969 law and the problem that can exist if the hospital committees are not in fact reading that law appropriately. It did seem to me that it was quite appropriate for an attorney general, before launching a prosecution against a hospital committee, to indicate to the hospital committee the problem that exists in regard to applying the law, and this is what I did in the case of the Northern Territories.

It is indeed an important role for an attorney general, in the particular circumstances of the 1969 law, to attempt to see that it is being applied in the way parliament intended. For after all, if we had intended a broader, wide open form of law we would have passed one, but we did not so intend. We put responsibilities upon hospital committees, and I think it is a proper role for attorneys general in this country to make sure that those responsibilities are carried out.

REQUEST THAT MINISTER OF JUSTICE NOT INTERFERE WITH GRANTS TO WOMEN'S GROUPS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my supplementary question is this. First of all, the previous minister of justice, the present Minister of Finance, on June 2, 1970 stated that this act is deliberately left open to medical judgment in order to give doctors some latitude. That interpretation the minister has refused to apply or even to indicate to hospital committees. In view of the fact that the minister has now interfered with the Department of the Secretary of State in the granting of funds to women's groups, particularly the women's centre in Regina which has collapsed as a result of the minister's interference, and in view of his recent interference in Saskatoon's women's group, where I understand a decision has not been made, would the minister give the House some assurance that he will no longer interfere in grants that have been properly approved by the director of this women's program in the Department of the Secretary of State? In other words, will he presume someone to be innocent rather than proven guilty without a trial?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, since in principle that was more a speech than a question, I hope I may have a little latitude to deal with the points raised by the hon. member. First of all, I share completely the view of my predecessor, the present Minister of Finance, that the law in 1969 did in fact leave the medical judgment to hospital committees. But what I also insist on is that they in fact legitimately and rationally exercise their medical judgment and not do something without exercising any medical judgment at all.

As far as grants by the government to organizations or people in this country and my role as Minister of Justice are concerned, in this regard I feel it incumbent upon me to give advice to my colleagues as the legal adviser to the government when there may be a danger that grants may be used in a way that furthers or promotes an illegal purpose. Indeed, I should think I would be in serious breach of my position, even as a minister of the Crown, if I saw any grants going to organizations for illegal purposes and did not do something about it. The government would be under severe criticism from gentlemen opposite in any case if any kind of public money went to an organization which was or might be involved in an illegal activity. I think that is clear.

SUGGESTION MINISTER OF JUSTICE ENCOURAGE FORMATION OF ABORTION COMMITTEES

Mr. Stuart Leggatt (New Westminster): A final supplementary, Mr. Speaker. The minister has indicated that he would like to see the laws of this country applied consistently across this country. In view of that, Mr. Minister, would you therefore encourage the establishment of abortion committees so that a decent percentage of women will have those facilities made available in regularly constituted hospitals and the law at least applied consistently in this country? Because in most of this country there are no such abortion committees available to the residents of those communities.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I hope hon. members will see the distinction in my function as Minister of Justice in trying to see that the criminal law is in fact properly applied. The criminal law makes the killing of an unborn child, generally speaking, an offence, though there is a narrow exception to that.

● (1150)

The criminal law is not the mechanism through which hospitals are required specifically to do positively a particular kind of medical care or technique of care, and if the hon. member wants to make submissions in relation to hospitals and what they should be doing he should be making them, not even to my colleague, the Minister of National Health and Welfare, but to provincial ministers of health throughout this country.

Oral Questions

POSSIBILITY OF AMENDING LEGISLATION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, will the Minister of Justice agree that since the vague wording of the present legislation originally introduced by the present Prime Minister lends itself to diversity of interpretation, it is the responsibility of this House and not of individual therapeutic committees to effect whatever changes he and the government consider necessary, and he should have the moral courage to bring this matter before the House for debate rather than trying to give effect to his views or his interpretation of the law by back door methods?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have indicated on other occasions that I would in due course be prepared to consider bringing this matter again before the House, specifically if it were to appear that the will of parliament, as indicated in 1969, was not in fact being carried out. I should say, however, that I do not agree with the hon. member that the wording is indeed so vague as to be impossible or difficult in its application. The wording does allow for certain medical judgment and if that medical judgment is exercised responsibly, and if hospital committees fairly and properly address themselves to the question of whether the health or the life of a mother is endangered before issuing a certificate, then the 1969 law can work, and perhaps can be the best solution to this problem that this country can in fact have.

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AIR CANADA

REASON FOR DELAY IN ANNOUNCING SERVICE TO PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, in the absence of the Minister of Transport perhaps I should direct my question to that distinguished son of Prince Edward Island, his parliamentary secretary. It is prompted by a front page story in the Charlottetown *Guardian* to the effect that an announcement of the inauguration of Air Canada service to Prince Edward Island is being delayed because of an argument between the Minister of Veterans Affairs and Air Canada as to who should make the announcement. Will the minister break this fearful deadlock and make the announcement himself, and also accept my long-standing invitation to announce the provision of a new and modern air terminal for the capital city of my province?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I will be glad to convey the feelings of the hon. member to my minister.

An hon. Member: To both of them.

Mr. McIsaac: I sure that either he or the Minister of Veterans Affairs will be pleased to make a formal announcement.

[Mr. Lang.]

[*Translation*]

ABORTION

ALLEGED RELUCTANCE OF DOCTORS TO ACT ON HOSPITAL COMMITTEES—GOVERNMENT ACTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put to the hon. Minister of Justice a question that is supplementary to the one that has just been asked.

Since in most hospitals doctors are reluctant to become members of the famous therapeutic committee that must examine abortion cases, could the minister say whether he will introduce in the House amendments to the Criminal Code in that regard?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I was not aware of this difficulty. I certainly will be glad to look into that matter because obviously, if it were for that reason the law could not work, it would deserve attention.

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[*Translation*]

CONSUMER AFFAIRS

INCREASED RATES CHARGED BY HYDRO-QUEBEC—GOVERNMENT POSITION

Mr. Maurice Dupras: Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

Is the minister aware of the 10 per cent increase Hydro-Quebec has been authorized to charge its customers by the Quebec government and if so does he feel this raise is warranted?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I must say I have no jurisdiction whatsoever on that decision, which is provincial responsibility. I would, however, be curious to know how the Quebec minister, Mr. L'Allier, will reconcile this decision by his government with his criticism of the Bell Canada increases.

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EXTERNAL AFFAIRS

EMPLOYMENT OF RENÉ MANTHA BY FIRM UNDER CIDA—REQUEST FOR INVESTIGATION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

In view of recent statements made before the Cliche Commission by the business manager of Local 791 of the International Union of Heavy Equipment Operators, Mr. Robert Meloche, whereby a former employee, Mr. René Mantha, has asked his pardon to the federal cabinet, and that the same person is now working in Zaire under the auspices of CIDA, does the minister intend to investigate the case and report to the House?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will take the hon. member's question as notice.

[*Translation*]

Mr. Clark (Rocky Mountain): Mr. Speaker, I have a supplementary question. Could the minister confirm whether the name of the company that hires Mr. Mantha is Syntec, and that it is operating under CIDA?

[*English*]

Mr. MacEachen: Mr. Speaker, I will also take that aspect of the question as notice.

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FINANCE

TAXATION OF RESOURCE INDUSTRIES—DISCUSSIONS WITH SASKATCHEWAN CONCERNING POTASH

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, did the Minister of Finance have any discussion with the province of Saskatchewan regarding the new tax structure in respect of the potash industry, and does he regard this proposed tax change as a further erosion of the federal tax share of this resource industry?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, last Friday when I met with the Minister of Finance for Saskatchewan, Mr. Wesley Robbins, and the Minister of Energy, Mr. Elwood Cowley, we spent three hours discussing resource taxation and other matters, and not once on that occasion was I given any advance warning of the announcement made by the province of Saskatchewan in respect of the potash industry.

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PENITENTIARIES

ST. VINCENT DE PAUL—ESCAPE OF FIVE INMATES—DISCIPLINARY ACTION AGAINST EMPLOYEES RESPONSIBLE

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I should like to ask the Solicitor General a question arising out of the very alarming escape yesterday from the Laval maximum security institution of five extremely dangerous inmates, three of whom have past records of escape. The minister said yesterday he was disgusted. Can he now tell us what he has done about it, whether there has been any progress in the pursuit of these dangerous criminals and whether any disciplinary action has been taken at the institution?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the investigation into the escape is still underway. I spoke this morning with the Commissioner of Penitentiaries who is on the site and is investigating the matter as well. Of course, disciplinary measures will be taken once we find out exactly who is responsible for what has taken place. In my opinion there has been negligence, but I have not as yet been able to accuse those people responsible. When I receive a report I will do so. I might say that we had put out special orders in respect of these men sometime ago. They were supposed to be given special attention and watched particularly closely.

An hon. Member: That makes it worse.

Mr. Allmand: For some reason or other these orders I had given, and which had been given by the Commissioner of Penitentiaries, were not followed.

Mr. O'Sullivan: Mr. Speaker, the minister says he is still unable to indicate who is responsible, and yesterday he said he was disgusted. I should like to ask with whom he is disgusted, those of the institution, the Commissioner of Penitentiaries or has the Solicitor General now joined the opposition in its disgust at the lack of leadership shown by the Solicitor General of Canada?

Mr. Allmand: Mr. Speaker, I am disgusted by the fact that we had issued special instructions in respect of men who had escaped before and who had threatened to escape again, that they were supposed to be watched in a very close way but they still escaped. I am disgusted with this particular thing. I intend to get to the bottom of it and apply disciplinary measures.

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ENERGY

PROPOSED REFINERY IN NOVA SCOTIA—DISCUSSIONS WITH FEDERAL GOVERNMENT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources whether there are any negotiations going on at the present time between the federal government, the government of Nova Scotia and Shaheen Natural Resources concerning the development of a three million barrel a day refinery to be built in Nova Scotia and, if so, does he have any report to give the House on the present stage of this project?

● (1200)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there have been none with myself. I do not know whether my colleague is in a position to respond to that.

Mr. Crouse: Then, Mr. Speaker, I would direct the question to the Minister of Regional Economic Expansion.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am aware of recent discussions which took place in Halifax between the government and Shaheen interests. To this moment the federal authorities have not been involved except in a peripheral way as to the development of Harbour facilities at Canso. That is the limit at the present time of any overtures made to us by the government of Nova Scotia, and these were quite general.

Oral Questions

CONSUMER AFFAIRS

HAZARD CREATED BY KRAZY GLUE—REQUEST FOR CONTROL OF SALE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the darling of the Canadian Chamber of Commerce, the Minister of Consumer and Corporate Affairs. In view of the serious hazard to children of a glue called "Krazy Glue" which is a very powerful sealer and is advertised as "Krazy Glue", and in view of the fact that it is on sale to children and one eight-year old child had his eyes sealed shut by this material, will the minister ban its sale to children?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is clear that my department controls the labelling of such products. I am informed that the label indicating it was a dangerous product did appear on the product in question; the company did not infringe regulations.

Unfortunately, I must recognize that the product did cause serious damage and that it can be very dangerous for the eyes. I hope any consumer who will buy this kind of dangerous product will be extremely careful.

[*English*]

Mr. Rodriguez: I have a supplementary, Mr. Speaker. Again I find great difficulty in respect of some of the answers given here. In view of the fact that the label contains the words "not intended for the use of children" in type about the size of one millionth of a milligram, and is such that any seven-year old or ten-year old would find it very difficult to read, would the minister consider instructing the manufacturer of this product to use large print and instruct the retailers not to place this material in the toy department section of their stores?

[*Translation*]

Mr. Ouellet: Mr. Speaker, of course I am going to look into this matter but I also hope that the parents as well will keep an eye on these products and not allow children to use them.

* * *

[*English*]

AGRICULTURE

BEEF CATTLE—ALLEGED PERMISSION TO AUSTRALIA AND UNITED STATES TO BORROW ON NEXT YEAR'S IMPORT QUOTA

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I should like to address my question to the Minister of Agriculture. In view of the current threat of retaliation by the United States against Canada's cattle and beef quotas, and our DES policy, and in view of the special hearing on this issue in Washington tomorrow, and in view of the report in *Farm and Country* of October 22 that Australia and probably the United States will be allowed to borrow on next year's global quota allotments from Canada, will the minister now clearly indicate if the government has indeed agreed to this borrowing device that would obviously work to increase import quotas in our last quarter of this year and permit above average imports of fat cattle and carcass beef into Canada?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have not seen the article to which the hon. member refers but from what he says there is no basis in fact to it whatsoever.

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EXTERNAL AFFAIRS

ALLEGED USE OF CODE IN COMMUNICATIONS BETWEEN WASHINGTON AND OTTAWA

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In light of the revelation of a special language being used for communication between Washington and Ottawa, will he now reveal to the House the code word that is allocated for this purpose to each of Her Majesty's ministers.

Mr. Speaker: Order, please. The hon. member for Edmonton Centre.

* * *

ROYAL CANADIAN MOUNTED POLICE

CONSULTATIONS WITH UNITED STATES ON SECURITY AT 1976 OLYMPICS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Solicitor General. Since it is well known that the RCMP has been in charge of security for the 1976 olympics can the minister inform the House why there is a sudden turn to the United States for security measures?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the RCMP is partly responsible for security for the olympics in conjunction with the Montreal urban community police and the Quebec Provincial Police. The story referred to is really an indication that we are seeking advice as to how to deal with special security problems. This is not done only with the United States but with any part of the world where we feel we can receive help.

* * *

AGRICULTURE

COLD STORAGE FACILITIES—INSPECTION BY DEPARTMENT

Mr. John Wise (Elgin): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. Has he requested or will he be requesting officials of his department to carry out an inspection in respect of the quality of storage and storage equipment facilities containing what has been reported as a fairly large turkey stock in this country. I emphasize that I am referring to the storage facilities themselves and not their contents.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the authority we have under the Department of

Agriculture for cold storage I am sure is being exercised, but I will double check to make sure that what authority we have is followed. If we have authority to check these cold storage facilities to see that they reach a certain standard, I will do so.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF SUPPLY

The House resumed, from Wednesday, October 23 consideration in committee of Bill C-31 for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31 March, 1975—Mr. Chrétien—Mr. Laniel in the chair.

The Chairman: When the House concluded its considerations yesterday, Schedule A of the bill was being discussed. In accordance with the understanding of yesterday the committee will now proceed to the estimates of the Minister of State for Urban Affairs whose estimates are listed at pages 29 and 30 of the bill.

The hon. member for Winnipeg North Centre rises on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order in the hope that we may have some understanding about the division of our time for today. It is in accordance with the understanding we have had that we are now starting the discussion of the estimates of the Minister of State for Urban Affairs. I think we should have an understanding concerning how long that discussion continues. The other department we are to deal with today is the Department of National Defence. If we were to finish our consideration of that department, we could then move to the Department of Indian Affairs. There are almost eight hours left for debate today. I would offer the suggestion that the committee agree that discussion of Urban Affairs end not later than five o'clock.

Mr. Woolliams: Mr. Chairman, I should like to say that I think five o'clock would be a good time at which to cut off the proceedings. If that is agreed I should like to speak to another small point of order if I may.

The Chairman: Perhaps we should solve one point at a time. Does the committee agree that the proceedings on the consideration of the estimates of the Minister of State for Urban Affairs continue until not later than five o'clock.

Some hon. Members: Agreed.

Mr. Woolliams: Mr. Chairman, may I say with the greatest respect that last evening we ran into some difficulty in connection with procedure. I want to bring it to your attention so that various members who have various ideas on housing will have twenty minutes in which to express them. I ask you to take into account that if a member chooses to take up his twenty minutes in putting questions to the minister regarding his program or chooses to make a speech, or a combination of questions and answers and speeches, the time allotted to him will be twenty minutes. That is the agreement we reached last evening and to which the President of the Privy Council agreed. I hope that we can proceed on that basis because if we get into another procedural argument, we will lose time.

● (1210)

The Chairman: Order, please. Am I to understand that a member should be allowed either to make a speech or ask questions but that no member should have the floor for more than twenty minutes including questions, speech and answers? Of course, enough latitude will be given to the Chair so that if a question requires a fairly long answer the Chair can be lenient so far as the twenty minutes are concerned. Is that agreed?

Some hon. Members: Agreed.

On Schedule A—*Urban Affairs*

Mr. Danson: Mr. Chairman, I was interested in the agreement on procedure, and I am quite happy to go along with anything that the House decides—indeed, I have to do so. I welcome this opportunity, particularly as a new minister and especially as I am new to this portfolio, to discuss the portfolio and its various aspects as well as its estimates with hon. members today. I think that if we can look at it in that light, we can achieve a great deal by finding out what the ministry and its three facets are attempting to do, what the objectives of this House are, and what are the concerns of members of both sides of this House. We have here the blue book. I must say that in the six years I have been a member of parliament I have not really learned how to master that impressive document. However, I am blessed with excellent officials who will be of great assistance.

As hon. members know, there are three principal hats within my portfolio: first, the Ministry of State for Urban Affairs; second, the National Capital Commission, and third, CMHC. I have not recited them in any particular order of importance; they are all equally important, but I have put them in that order because I intend to deal with them in that way.

The Minister of State for Urban Affairs is concerned with urban growth and the pattern and quality of that growth in this country. If we look at the projections for this nation, we see that 90 per cent of all Canadians will be living in urban centres by the end of the century. If the present trends are permitted to continue, one third of all Canadians will be living in three major centres around Vancouver, Toronto and Montreal. As great as those cities are, our concern is that such a trend is not desirable, but I think it would be unrealistic to pretend that we can reverse it. However, if we can shape it and manage it in some way, even divert it by as little as 3 per cent, 5 per cent or 7 per cent, that would represent a massive shift. But, more important is that we should decentralize the concentration in these areas to make sure that the quality of the development and of the growth is of a kind that is acceptable and one to which we as Canadians would aspire.

As minister I have great difficulty in determining where "urban" begins and ends because I think it starts on the farm and in the smallest community. Unless these are

vibrant and good places in which to live, people will flock to our cities. Cities are great places in which to live, but I think they should be places of choice and people should not be pressured into moving into those centres. There are different ways of approaching this matter. We are concerned about the quality of life both in the smaller communities and in the larger centres, but especially in the cores of those communities.

The Ministry of State for Urban Affairs set up some three years ago is relatively new. My two distinguished predecessors have been experienced, able and sensitive ministers and they have established the trilevel process which means that all levels of government confer together about problems of mutual interest in relation to the urban fact in this country. This is not an easy process. The provinces and municipalities have their jurisdictions which they guard jealously. It is not by accident that they are there. I think there is something valuable in our system of government which allows each of us to deal on a priority basis with those matters which we can best handle. I reject the term "senior and junior levels of government" because I do not think they are really applicable. They are just different levels of government, and a case could be made for each level being the most important. They are all important and different, and the trilevel process helps to bring us together in a mutual cause to discuss matters of mutual interest and learn where each fits and can help the other.

Perhaps one of the most significant moves as a result of the second trilevel conference in Edmonton was the establishment of an independent trilevel task force on municipal finances headed by Dr. Deutsch. This is very important because municipalities themselves have been deeply concerned about their tax base. I do not think anyone acknowledges that a proper tax base is the most equitable, the best that can be devised, but we do not know what the answers are. Some people suggest federal tax transfers or provincial tax transfers, but I think we all recognize the fact that it is very easy to spend money that someone else provides. It is the very essence of our democratic system that we are elected to carry out the trust of the people. In some ways I think we should be called trustees rather than members of parliament. We initiate programs and tax people for the money to implement those programs. We take responsibility for that at election time or, conversely, we do not implement programs and we do not tax people, and we take the responsibility for that also.

I feel deeply, therefore, that it is important that the level of government which spends should also take the responsibility for that taxation. I could go on to give examples of other jurisdictions with other municipal income taxes. Strangely enough, they have not been all that successful, as I have found in speaking to the mayor of one of our major cities this morning. The municipalities have the responsibility for taxing, but it becomes a very different thing when you leave that responsibility to someone else and you just have the responsibility for spending. That is fundamental to our system of responsible government.

An hon. Member: Then, why don't you bring the estimates back to the House?

[Mr. Danson.]

Mr. Danson: There are other things in the ministry which are of particular interest. One is the railroad relocation and crossing act which offers a unique opportunity to the provinces and municipalities to join us in redeveloping, particularly central cores, regenerating them where they have been blighted by railways, and making them into better communities in which to live. Certainly, we must co-ordinate the federal presence which is considerable in most urban centres. Federal land holdings are considerable. There are some 200,000 acres of federally owned land in urban centres across Canada which are not usable for housing but which could be strategic land if used for recreation in the development of cities and towns. We have established a special policy of land management in the federal government and hon. members might be interested in this.

● (1220)

First, the federal government will, by and large, no longer sell its land holdings which are surplus to needs of government departments. Public lands will remain as much as possible in the public domain so the public has a basic decision to make on that land use.

Second, when a government property is no longer required by the department which is using it, a rapid examination will be made by the urban affairs ministry to determine what should be the best use of that land in urban terms. This will ensure that the redevelopment of federal properties takes place in the light of urban rather than purely narrow financial considerations.

Third, all important federal land holdings in major cities will be systematically reviewed on a cyclical basis to ensure they are being put to best urban use. I could go on at great length, Mr. Chairman, on the urban affairs aspect of my portfolio which is included in the estimates today and this may come out in my discussions.

I should like to mention the National Capital Commission because it is of special interest to members of parliament and to all Canadians. In my list of priorities, the capital city must first of all be a good place in which to live and work; that is the primary function of an urban centre. Second, it must be the capital city for all Canadians. All Canadians must feel at home here, must feel comfortable here, no matter what region they come from or what their mother tongue. We have development plans for the core area and the linking of the Ottawa and Hull regions. We have a regional plan as well for the greater national capital region.

I hope all hon. members have read the annual report issued last week by the National Capital Commission. It suggests some very interesting things and puts forward some good ideas for the national capital region. We will shortly be issuing the concept plan of the National Capital Commission. This looks at the development of the area for the next three decades. It follows the Greber plan which has been used over the last 20 years. We now have an opportunity for a new approach. We also have the Fullerton approach which deals with the governmental structure for the region. These present a unique opportunity to examine the reports and the expertise that have accumulated, and it is for that reason that in the Speech from the Throne we proposed a joint committee of federal

houses to study the national capital plan, the concept plan, the Fullerton report and any other information that comes to hand. I think we all have a special interest in this.

I strongly suspect that hon. members are primarily concerned with the housing situation today, although I hope it is not their only concern. I think the record of this government gives us reason for pride as Canadians, though not for complacency, of course. The Economic Council of Canada said that over a five-year period, from 1968 to 1973, it would be necessary to build millions of homes in Canada. That was quite a challenge. As a matter of fact, as a candidate in 1968 I said that if we did not achieve that objective I would not stand again as a candidate for my party.

Mr. Woolliams: Then, you had better sit down.

Mr. Danson: No, we have exceeded that goal year by year. We have exceeded 200,000 homes every single year and have established records one after the other.

Some hon. Members: Hear, hear!

Mr. Gillies: Relate that to population change.

Mr. Danson: This is quite a good rate of progress. In the six years there have been 1,350,000 homes and in the same period there have been 700,000 new family formations. Quality of housing has also improved, although there are naturally areas of concern. We still have a long way to go with those who are socially deprived, who have financial and economic problems, and with the native peoples and others.

Quantity itself is not enough. There must be quality of housing and good distribution in all regions and at all economic levels. Our concern must be for those who are most vulnerable and not able to afford housing. Some people suggest housing has been used as an economic tool, but if you look at the budget you will find that each year more money has gone into housing.

The new program which came into being in 1973 was in operation for only half of that year and our capital commitments for that year were $923 million. The capital budget for 1974, the first full year of the revised act, is $1,262 million. Of this budget, 77 per cent is committed to housing programs and the balance for land, sewage facilities and other operations considered as infrastructure. Of the housing budget, 95 per cent has gone into low cost housing for people who cannot normally afford it and some of the 5 per cent balance has gone in CMHC's role as lender of last resort in regions where lending institutions are not normally active. A high proportion of the 5 per cent has also gone into low and moderate priced housing.

One of the most interesting innovations of my predecessor was the Assisted Home Ownership Plan, or AHOP. Some people said it would not work because the price limits were not realistic, that they were too low. But a funny thing happened on the way to the forum, Mr. Chairman. People started to look for housing in the price range and, because of tight money, builders realized this was where they could get funds so they started to build houses within the price range. It has had the effect of supplying homes and bringing down the price. We know that in many major centres prices were set at what the traffic would bear and not necessarily related to the cost. In 1974, $300 million was budgeted for that program and its success resulted in a substantial increase of the budget. It produced some 20,000 homes for 80,000 or 90,000 Canadians. Part of that was for existing housing and part of it for new housing.

It soon became apparent that the success of this program was one of its greatest problems, and that we would have to increase the supply of funds. In effect, we had to make a trade-off. Rather than have the program work simply for people getting housing, we wanted to use what funds were left to increase the housing stock. I know it is a disappointment to some people that it was not continued for existing housing but I felt that we had to conserve our resources and use them where they would be most effective. During my term as minister, this is the approach I will be taking—to get the maximum leverage out of the taxpayer's dollar.

Public housing in this country has been a great success. In the last six years the stock has been increased substantially and more housing has been produced in this period than in the previous 22 years. That is not a bad record.

Mr. Gilbert: It is still only one per cent of the total housing stock.

● (1230)

Mr. Danson: My hon. friend mentions the one per cent figure. I understand his concern, as I know the constituency he represents. We need new housing. We are not producing old new houses, if I may use that term. We need new houses. As far as we are concerned, 95 per cent will go to those income groups we have mentioned.

I am concerned about the reluctance of municipalities to accept public housing. I think politicians can give leadership in this field. People must not be gun-shy and say "No, we do not want these people in public housing in our area". Some people respond too quickly this way, and the solution requires leadership.

You cannot lead people who do not want to be led. Through leadership we must provide a voice which will be responded to in the community, so that we may develop a cohesive housing policy for the betterment of society. This will not come about by itself. It needs people to do it. We must recognize that this is a problem we must all face. We must also realize that there is a need for public housing. The attitude of people should not be, "Let them build public housing in an area other than mine." We cannot approach our problems in that fashion. On the other hand, if we accept our responsibilities we will become mutually enriched.

I could talk about non-profit and cooperative housing, which is a relatively new national force in the housing picture and deserves attention. The program is not increasing housing stock very much, but it is an important factor.

Let me say this, Mr. Chairman. In the field of housing the government of Canada is not standing still. We have an immense number of programs at work. There is no simple solution to our problems. We can talk about lending guarantees, public housing, senior citizens' houses, student housing, land assembly programs and services,

AHOP, our limited dividend rental programs, our cooperative housing, our mortgage investment corporation, the registered home ownership savings plan, of which I will speak more later, programs like NIP, RRAP, programs for rural housing, and so on. As I say there is an immense number of programs which can help us do the job and which we have modified and improved as we go along. I welcome hon. members' questions, so that we can discuss these things together.

Mr. Woclliams: Mr. Chairman, may I congratulate the minister on his new position. I have known him since he came to the House. I think all will agree with me when I say he is an affable person. He will do the best he can in the circumstances, as all will agree, I think.

The minister faces vast problems. The previous minister, to whom I was not quite so kind, was full of puffery but little came of it. That is what prompted us at the beginning of the session to ask questions about housing.

In the 20 minutes allotted to me I will talk about the housing crisis and see if we cannot arrive at some solutions. I will ask the minister some questions and expect short answers. So many questions need to be answered and only the minister and his departmental officials can help us.

First, the minister must accept that there is a crisis in housing. Why is there a crisis in housing? In responding to a question asked on October 2, the minister implied that there is no housing crisis, even though housing starts this year are down by 24.3 per cent. Although the minister said in the House that there is no housing crisis, he said the contrary when interviewed by Southam News Services on October 21. According to the article by Guy Demarino:

> Danson says he's 'about to present new ideas to cabinet' to help solve the housing mess. But any new ideas will take considerable time to be explained, developed, discussed, accepted, and financed—
>
> Danson also wants his cabinet colleagues to support a plan, under which public subsidies would be linked to private capital and lead to more homebuilding. The government would, under the plan, subsidize private lenders to bring the effective mortgage rate down to AHOP levels.

Clearly, the minister thinks there is a housing mess. It is no use talking about AHOP. Of the $500 million allocated, $437 million has been spent. The minister must go to the Minister of Finance and others who control the economy for more money. But they say "no, we are cutting back; we are in a tight money situation." So, I understand his moaning. The problem is truly great.

How many wage earners are buying new houses? According to the Toronto *Star*, about five per cent of wage earners at one time bought new houses. That figure has now sunk to zero. Wage earners cannot afford high-priced housing and the highest mortgage interest rate in history. In Vancouver, for example, because the vacancy rate has dropped almost to nil, rents are going up. Wage earners are going to the boss and saying, "Give us more money; we need it to pay higher rents."

Houses are not selling. Why? According to law firms across the country, CMHC and conventional mortgage loans are running at better than 11 per cent. If you lack the full down payment and need a second mortgage, you will pay between 18 per cent and 20 per cent. I foresee a decline in our economy and there will be more foreclosures in housing than this country has ever seen. Without exaggerating, what happened in the '30s will look like prosperity. The minister does not control money. The real demons are his colleagues who will do nothing about inflation. So, when he spoke today, it was like sneezing in a dust storm. It meant nothing.

[Mr. Danson.]

Now, let me ask some questions. Housing starts in 1974, compared with 1973, are down by 24.3 per cent, according to Statistics Canada. Why are these housing starts down? The chairman of the Conference Board of Canada looked forward to one million extra houses being built by this year. Yet housing starts have fallen below 200,000. That figure was picked out five or six years ago by the Economic Council of Canada. I want to ask the minister why housing starts are down and what action is being taken to meet this situation outside AHOP. Incidentally, I hope the hon. gentleman does not mention that word while he is replying to my questions, because it means nothing—he cannot get any money out of the Minister of Finance.

● (1240)

Mr. Danson: The hon. member obviously recognizes that the basic problem is inflation, and he does not accept that the record of the present government compares more than favourably with that of any other government in the world in this regard. As I say, the real problem is inflation, which brings us to high interest rates. Despite this, our completions this year will be in the range of 250,000. Understandably, the hon. member is concerned about next year.

The admonition not to mention AHOP is unfortunately, I think, because the program has been highly successful. It would be unfair to exclude it when it is providing something like 20,000 units. Incidentally, the decline is not in new dwellings; the real concern is for rental accommodation in the coming year—multiple unit structures. This is where the emphasis will be placed, and I would draw attention to Section 15 of the National Housing Act which brings in the private sector. Possibly new methods will be required so that the immense resources in private funds available for housing can be directed to that field at lower rates. If we are to bring these rates down, it will be by subsidy. That is my objective—to bring the private lending institutions into the field. They have the funds, but cannot get them out working today because of the high interest rates.

Mr. Woolliams: I notice that according to the newspaper article the minister talked about subsidizing interest rates. I also noted, in the same article, that the Minister of Finance had said that in no way are there to be any subsidies. So, we are locked in.

I should like to ask the minister two questions. The first relates to the $100 million a year for land acquisition about which the former minister used to spread his chest. How much of that sum has been allocated and where were the land banks established—if anything was done at all? Has a further $100 million been allocated for this year? As we all know, the cost of land is the demon when we get into the realm of housing. In brief, how much was spent, where was it spent and does the minister have another $100 million this year?

Mr. Danson: This is a new program and I appreciate the hon. member's recognition of its importance. It is being applied right across Canada. It is not the intention to fund strictly $100 million a year; the program calls for $500 million over five years. I believe we have exceeded the $100 million in the last couple of years. In reply to the hon. member's question, perhaps I should begin by giving the figure for Alberta, which is $690,000. Then, Newfoundland... This can't be right surely—$6,910,000. Yes, that makes up the total. Newfoundland, $6,910,000. I didn't believe what I saw. But it shows what a Liberal government can do when there is a strong opposition.

Some hon. Members: Oh, oh!

Mr. Danson: Ontario, $19 million; British Columbia, $3 million. And so on. So this money is going out. The program is going on stream and we are just beginning to see the results. There is a terrific time lag here, as I am sure the hon. member would appreciate. But the program is going on stream.

Mr. Woolliams: The list the minister gave is still far short of $100 million. Alberta, $6 million, British Columbia $6 million, Ontario, $19 million—that is a long way from a $100 million. But is $100 million set aside this year?

I want to turn now, to the demonstration program. This involved $100 million to be spread over five years to finance what we call innovative programs. The intention was to look at new technological methods of cutting housing costs. As I pointed out in the House this scheme would cost more than $54,000 a day for every day it was in operation. I should like to know what experimental project has been carried out with that $100 million and where it has been built, outside one situated in the former minister's constituency, perhaps, to impress the voters.

Mr. Danson: First, as to the land assembly program. If the provinces respond there will certainly be another $100 million available this year for that purpose. As to the urban demonstration program, nothing as yet has been spent out of this fund. It is a very serious program. As the hon. member implied when one is spending $54,000 plus change a day it has to be treated seriously. This program extends over a five year period. An advisory committee consisting of highly qualified professionals has been set up, not to build any sort of gimmickry, or to build in any particular constituencies, but to put in concrete form real responses to urban problems. The committee knows I intend to be rather tough in this connection because I have the ultimate responsibility. This is to result not in any great schemes which will benefit mankind but in specific projects in Canadian urban centres or around them, for the benefit of Canadians. Purely theoretical exercises will not be considered. I know this is the feeling of the advisory committee as well. The first funding will be next year.

Mr. Woolliams: So nothing has yet been spent out of this $100 million. It has not built one house. It seems to me that this money should have been spent to help people build houses.

Let me draw the minister's attention to some figures I have here—these are put out by Statistics Canada. The cost of new houses in Canada has risen by 60.7 per cent in the last five years compared with 38 per cent in the United States. Mortgage interest rates in Canada have gone up by 76.9 per cent compared with 18.4 per cent in the United States. The cost of property insurance rose by 130 per cent in Canada though it rose by only 13 per cent in the United States. I could go on and on to show how inflation in Canada has eaten away the resources of the little man until he can no longer afford proper shelter.

Mr. Danson: Would the hon. member permit an observation in relation to those statistics?

Mr. Woolliams: I want to put one more question. The minister can comment then, if he wishes, at the same time as he replies to what I have to say. I am far from happy about the Prime Minister telling us he intended to give people $500 in lieu of not abolishing the 11 per cent sales tax. Then, during the election campaign, he said that the government would do it in the next four years. I ask the minister, how many Canadians have yet received these $500 cheques? I suggest not one. It is like an innovative program. Let me ask the minister whether he has any legislation ready yet to carry out this promise, or is this another election bluff like the promise to curb inflation?

● (1250)

Mr. Danson: Mr. Chairman, I think it is worth observing, though I have not checked the statistics in this regard, that United States housing starts have dropped 50 per cent, compared with 23 per cent or 24 per cent in this country. I think that is of particular significance. Our policies have produced housing, theirs have not. I am not suggesting that we do not have problems, but I do not think that the situation is a crisis. Rather it is a problem, but a problem with which we can cope. Obviously, with housing starts dropping off south of the border almost 50 per cent, in what is one of the most advanced nations of the world, this is an indication that we are doing better. With regard to the $500 in lieu of sales tax, this is something that we have under active consideration. It was a commitment.

An hon. Member: It was a promise.

Mr. Danson: Yes, and I hope to be making an announcement within the next several days in this regard.

Mr. Woolliams: Mr. Chairman, I have a few minutes left so may I just say this. I could go on all day asking the minister questions, but they all add up to one thing. The government has been full of words not deeds. In light of the fact that Canadians are now unable to get proper shelter, and in light of the fact that real estate agents are not selling houses, would the minister look into an outfit called Rentex. People looking for a home pay this outfit $50 to find a home for them and they have a monopoly all across the nation. I would ask that action be taken under the Combines Investigation Act.

I should also like to see an investigation in connection with a certain development around Calgary concerning the amalgamation of four or five companies. Not only is this happening in Calgary but it is happening in other cities, too. I did receive a letter from the president of a company in my area who complained about what was

going on. Therefore, I ask the minister to look into this situation for the good of Canada and Canadians. I will now sit down since my time is up, and may I say I appreciate the courtesy of the minister for taking the time with me, even though he was unable to give me all the answers.

Mr. Gilbert: Mr. Chairman, last July and August I would have had no difficulty complimenting the Minister of State for Urban Affairs on his appointment. He is a very affable, likeable and competent type of person. But he has been a cabinet minister now for almost four months, and on the basis of his performance in that short period, and also the attitude of the government to one of the most serious problems facing the country today, the serious housing shortage, I am convinced he is really trying to smile and bluff, certainly from having listened to him for 20 minutes this morning. The housing crisis has rather serious consequences for most Canadians. I think that instead of becoming minister of housing he is becoming minister of hoaxing. He is pulling a cruel hoax so far as his attitude to, and inaction in, the housing field is concerned.

Why do I say that, Mr. Chairman? First of all, let me look at the Liberal promises made during the election. First was the $500 tax free grant to first time purchasers of new homes. The answer of the minister in the last five minutes was that this matter was still under active consideration. An amount of $500 is very small in light of the dramatic increase that has taken place in the cost of housing during the last few years. In fact, in the year 1973 the increase in the cost of lumber and wood products amounted to $800 for the average home. The minister now says he has under active consideration a $500 grant to first time purchasers of new homes.

May I mention to the minister that if he were to remove the 11 per cent sales tax, not on all homes but particularly on homes priced in the moderate to middle income bracket, there would be a saving of $1,300 on the average home. From the minister's answer to the hon. member for Huron yesterday in regard to this grant, I have come to the conclusion that the minister is trying to bluff and smile his way through this serious problem.

Secondly, I remind the minister of another election promise of the Liberal party, namely that they would direct more national housing mortgage moneys into moderately priced homes with low down payments. This was given great thrust when the Prime Minister made his western trip. May I tell the minister that the limits set were so low that they would exclude virtually every house now on sale in our cities. That was the second promise of the Liberal party.

Thirdly, they said there would be a provision to allow homeowners to pay off mortgages in the first five years without excessive pre-payment penalty. The Prime Minister and speakers for the Liberal party made sure not to define the word "excessive". The question now arises, why should the average homeowner have to pay a penalty because he wants to pay off his mortgage within the first five years? This indicates the cruel attitude of the minister to people who are struggling to pay off their mortgages.

May I continue at two o'clock, Mr. Chairman?

[Mr. Woolliams.]

The Chairman: Order, please. It being one o'clock I do now leave the chair until two o'clock p.m.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

The Chairman: Order, please. When the committee rose at one o'clock the estimates of the Minister of State for Urban Affairs were under consideration, as found at pages 29 and 30 of schedule A of the bill.

Mr. Gilbert: Mr. Chairman, at the time of the adjournment I had stated that the Minister of State for Urban Affairs had changed his concept from that of minister of housing to that of minister of hoaxing. I suggest the reason for that is inaction by the government respecting the serious housing problem across the country. I gave as examples of inaction of the government the lack of action on the $500 grant for first-time purchasers of homes, and the government's attitude regarding NHA participating more in the mortgage field across the country, especially in respect of low-income families. The government set the limit so low that virtually no one in a city could take advantage of the program set forth by the Prime Minister during the election campaign. I also said that the government's idea of allowing home owners to pay for mortgages in the first five years without excessive prepayment penalty had not been put into effect by the government.

The fourth Liberal promise during the election campaign was a change in the NHA regulations permitting CMHC to buy land and lease it to co-operative and non-profit housing organizations. The record in respect of this promise has been dismal failure. The president of CMHC said there is reluctance to provide funds, on the basis that projects could be unprofitable. The question of profit is hardly a criterion for co-operative housing. We have witnessed Toronto city officials and officials of the Ontario Federation of Labour coming to Ottawa to persuade the minister to become more active in supplying funds for non-profit housing and co-operatives. That action has been very slow.

The fifth Liberal promise during the election campaign was in respect of regional and local ceilings on NHA mortgages. This was to be done by regulation, but there has been no action to adjust the rates of NHA mortgages pertaining to different regions across the country. Those were the election promises.

Let me now come to the performance of the Liberal government and the lack of action by the minister of hoaxing. Regarding the supply of housing, there has been a dramatic decrease in the number of house completions and it is now almost certain, as the hon. member for Calgary North said, that in 1974 there will be a drop of approximately 20 to 25 per cent in house completions. This means a loss of $1.5 billion in wages and salaries to Canadian workers. Goodness knows, we have a serious unemployment situation especially in the forest products industry of British Columbia and Quebec where these men could be employed.

I am sure the minister knows that developers in large cities said in the spring of 1974 they would not build multiple units because their return did not compare with the return on land speculation or on the construction of single-family dwellings. We experienced a dramatic drop in housing starts because developers found they could make more profit on land speculation and building single-family houses. We have a serious crisis in housing rental units, especially in the large cities.

Today the minister pounded his chest as he talked about the Assisted Home Ownership Program.

An hon. Member: Not too hard, I hope.

Mr. Gilbert: The minister failed to mention that the substance of the proposal made during the election campaign was to raise the subsidy from $25 to $50 and that the eligibility limit for the subsidy was to be even lower for NHA mortgages. The limit in British Columbia was $32,000 before one became eligible for AHOP, and $30,000 in Ottawa, yet experience has shown that you can hardly buy the necessary land in our larger cities for that amount of money.

With respect to the cost of housing the record of this government is even more miserable and dismal. The cost of land and the cost of mortgage money have risen at a tremendous rate. Last year we heard what the Liberals and the Tories said when the Residential Mortgages Financing Act was passed. It was supposed to stabilize the flow of money by making mortgages more attractive. That was the purpose of the bill. Since the passage of that bill last year we have seen the conventional mortgage interest rate increase from 9.5 per cent to 13 per cent. This is what the Tories and Liberals did when they brought in the act to make mortgages more attractive.

In respect of the price of homes we have seen a slight drop because of buyer resistance to the cost of homes and the high interest rate. There has been a drop in Toronto from $57,000 to $55,000 for the average house. When I travelled through my constituency during the election campaign I was amazed at the number of empty houses owned by speculators which had "For sale" signs on them. The reason was that most of these houses were in the $45,000 range and required a mortgage of at least $35,000. To obtain a $35,000 mortgage on a 25-year basis, at a rate of interest of 11 per cent, would require monthly payments of principal and interest of $336.89. In other words, if you take yearly payments of $4042.68 for a period of 25 years, it totals $100,670.

● (1410)

Is it not obvious why there is such resistance to buying homes in our large cities? I now refer to the minister's attitude toward housing. We in the New Democratic Party say that every person is entitled to decent housing at reasonable cost. This has also been stated by the Social Development Council and, as the hon. member for Don Valley reminds me, by the federal task force. Let us consider the attitude of the minister. He suggests that people must choose whether to buy a house or have extras such as a car, boat, or other luxuries. He says that they cannot have both. I would remind the minister that many Canadians cannot have either; they cannot have a house or the luxuries he speaks about. I am amazed at his philosophy.

What is the minister's solution? He said he would encourage developers, through tax incentives, to build houses. He has the limited dividend section of the act through which he hopes to encourage them to build. I would remind the minister that in the last six years limited dividend housing has never passed 5 per cent of the total housing for the year. There was one exception, in 1970, when the sum of $200 million was directed toward smaller lots with smaller homes for Canadians.

This is the second part of the minister's philosophy. He has taken no action with regard to interest rate increases. He has done nothing in respect of a land bank. He has done nothing with regard to the $500 bonus plan. He has done nothing regarding the 11 per cent sales tax on certain housing. He has taken no action in respect of the 50 per cent capital gains tax, which should be at least 100 per cent. He has done nothing with regard to Indian and Metis housing in Canada. This is a very disgraceful performance.

My time is limited, but I must tell the minister what we in the New Democratic Party would do if we were facing the problems he faces. I shall sum it up in five sentences. First, we would bring land under public ownership and development through a $3 billion revolving fund for the acquisition of development land around our major cities. Second, we would institute a 100 per cent capital gains tax on land sales, with an additional surtax on speculative holdings of less than five years, in order to bring down the cost of acquisitions. Third, we would provide 100 per cent funding to provinces and municipalities to service land holdings. Fourth, we would provide 6 per cent mortgages for low and moderate income families. Fifth, there would be direct government intervention to ensure an adequate supply of moderately priced housing either through contracting out to private builders or, where necessary, construction by a government agency.

Mr. Chairman, I should like the minister to take the initiative and change his philosophy so there would be a major thrust toward having Canadians decently housed at reasonable cost. I would rather call him a minister of housing than a minister of hoaxing. At the moment I would say he is perpetrating a cruel hoax on many Canadians.

Mr. Stanfield: Mr. Chairman, when one considers the responsibilities of the Minister of State in the field of housing and urban affairs, and the cheerful responses the minister offers the House, one is tempted to ask the popular question: Why is that man smiling? I have nothing but good wishes for the new minister. I would not want him to misunderstand me. I respect his talent and his good humour. I am very much afraid, however, that he is already falling very quickly into the complacent attitude that many of his senior colleagues in the administration have made a hallmark of this administration. If he could be redeemed from that fate before the cement sets hard around him, I would be very happy. This is one of the main reasons for my intervention today. It would be a shame to see a new minister, particularly one in this portfolio, become lost in the attitude that everything must be right after all because the Liberals are still in power.

There is much to be disturbed about in this country's affairs. A good portion of what disturbs me revolves around the government's cynicism, and repeated examples of it, in the realm of housing. Over the last couple of years the government frequently has said one thing and done another. It has promised, then deferred, and then done nothing more. Now we have a new minister along with the most recent flock of unfulfilled promises.

It seems to me that the minister and the government expect us and the Canadian people to sit around and wait for something to happen at some time in the future. I do not think that is good enough. The Prime Minister might well like us to believe that he is keeping his word when he states that the housing program promised during the election campaign will be implemented in the course of the life of this parliament—some four or five years—but his government will not in fact be meeting its responsibilities if it does not show determined leadership in bringing forward a housing policy at least to attack the immediate problems.

It seems to me the kind of policy required must be comprehensive and must involve more than simply some inventions by CMHC. It will require the co-ordinated effort of every department of government including, of course, housing, urban affairs, manpower, immigration, Indian Affairs and certainly finance. The minister may say we are not in a housing crisis—as he is fond of saying—but certainly we face a crisis in housing right now, a compounded crisis both in terms of cost and supply, because housing starts are down significantly and costs are up very dramatically. In five years—I think my figures are right—the cost of new housing has increased by over 60 per cent, according to Statistics Canada. That is just in respect of houses. If you include land costs, the increase over a period of five years for a new property including land is almost 110 per cent on average. Over the same period, mortgage interest rates have increased by almost 77 per cent.

● (1420)

A year ago we could see that housing prices and mortgage interest rates were increasing beyond the reach of most Canadians. One did not have to be very smart to see that. We could see, also that the housing market was becoming more and more an inflation shelter for those who could afford that kind of investment as hedge against inflationary expectations. The NDP member who just finished speaking said that in many instances it became a source of speculation and a hedge against inflation. Over and over again we and others warned the government that this was happening and that the little guy was being crushed in the process. There was no appropriate response from the government. Indeed, it was months before the government even conceded that our analysis was accurate.

Then, of course, we had the election campaign, bringing forth a flurry of activity, a basket of promises and AHOP. AHOP was made more generous. It had to be, because it certainly had become a rather sick joke the way it was operating. But now AHOP is all the minister talks about. Ask the minister the time of day and he will tell you about AHOP. The government's tactics, so far as defence is concerned, are "A HOP" a skip and a jump.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister appeared on the television program "Question Period" and said that in order to deliver houses and apartments at an economic price we must accept some compromises; that there are certain trade-offs which we might have to accept—for instance, green spaces. On October 7, the hon. member for Grenville-Carleton asked the minister to clarify what this meant. The minister replied, in one of his more illuminating statements, as follows:

> This is an ongoing discussion with provincial and municipal officials as well as other people in Canada. Certainly, we have to treat this with great sensitivity, and I put as high a priority on parks and recreation as on any other element in the housing field.

An hon. Member: He made it sound better.

Mr. Stanfield: He may have made it sound better, but there was no more substance to it. I do not believe that the minister's answer clarified his earlier statement, and I say very frankly to him through you, Mr. Chairman, that I do not like what seems to be the general direction of the minister's thinking in this regard. I do not accept the position that provision of adequate serviced land will require the diminution or the reduction of green spaces in our cities. I say this as emphatically as I can, because it is very hard to get green spaces in cities. I do not know of any city in Canada which has too many of them, and I do not want to see green spaces lost through some alleged short gain.

To put it another way, I do not believe that the preservation of green spaces in existence precludes the adequate provision of land for home or apartment construction. The green spaces we now enjoy in our urban areas in no way caused the severe housing problems that we are now facing, and they must not be compromised as part of some half-baked solution to our problem of making available enough serviced land. I say, sir, that in this country there is no excuse for that kind of trade-off. The open spaces we have to do something about are not the green, open spaces in our cities but, rather, the gaping holes in the policies of the minister and the government. Who knows what the housing policy of this government really is? Is there any contingency planning to meet the crisis? There does not seem to be, from any evidence that I have seen. We are geared to conditions which generally do not apply now, if they ever did. Take the explosion in the price of land for residential development. It stands directly in the way of tens of thousands of ordinary, hard working families who want to own their own homes. I believe these people are justified in not viewing such prices as a necessary or acceptable burden.

The president of CMHC stated recently that the government is using all the devices that are available to increase the supply of serviced land. He said that the government could intervene heavily if housing starts fall much below 200,000 next year, but not before. Mr. Teron expressed the view that this number of starts is enough to allow us to hold our own without making any substantial improvement in the general living conditions of Canadians.

Does this government now believe that times are so good with respect to housing that it should do nothing more than make certain that things do not get any worse? Is

that the attitude of the minister and of the government? I say that this country has every right to expect something better. For far too many low and middle income Canadians, the situation is quite intolerable. The government has, indeed, a moral obligation to avert shortages and another escalation, in prices next year and to improve vastly the situation which we are already experiencing.

With regard to land prices in particular, I believe that a major thrust is necessary to improve this situation and to ensure an orderly and adequate expansion of our housing stocks. The government, in conjunction with the provinces, must provide the resources to do that job, and provide them now. I say to the minister that this would be an investment in social and urban progress and, furthermore, it would both moderate inflationary pressures in this field and generate employment. The minister responsible for housing and urban affairs and the Minister of Finance should be launching such an initiative without delay. We will be looking for comprehensive responses and answers.

Mr. Marshall: It will come in the budget.

Mr. Stanfield: I will not wait for the budget. I am tired of sitting around waiting for the budget and I dare say the Canadian people are also darned tired of waiting for the budget. The Conference Board in Canada has predicted that if the government continues with its present approach—

An hon. Member: Oh, oh!

Mr. Stanfield: The windbag over there can just settle down. I don't know whether he was moved down to that corner so as not to disturb the House too much.

Mr. Baker (Grenville-Carleton): We are getting a draught here.

Mr. Stanfield: The Conference Board has predicted that if the government continues its present policy, we will witness a further decline in housing starts next year. If nothing is done quickly, and if the present trend continues, a severe housing shortage will develop by mid-1975, according to the board, and as we move into 1975 completions will begin to fall off unless the decline in new housing starts is reversed. Without such reversal the supply of new housing will be very tight after mid-1975, and that will inevitably lead to further upward pressures on rents and on housing prices. I suppose that is the government's anti-inflationary program. If we now had more adequate inventories of shelter in major areas, this restriction in supply would not be too drastic in its effects. But on the contrary, inventories in most urban areas are at extremely low levels.

● (1430)

A recent report of the Economic Council of Canada, entitled "Toward more stable growth in construction", contains the following words:

> Our analysis indicates that more stable growth in housing starts would significantly retard future increases in housing costs.

That is something which any government with the slightest interest in fighting inflation and helping the people should bear in mind. I continue reading from the report:

> With increased stability in residential construction, therefore, more and better housing could be financially accessible to the poor, and all participants in housing construction itself would probably also benefit.

I would hope that this government would at least do something to help housing and fight inflation apart from talking about the problem being international. Here is a lead for the minister. The report went on to say its findings indicate that a good part of the instability in housing construction stems from over-all instability in the economy and the instability of government monetary policies in particular. The Minister of Finance himself recognized this relationship when he said in the memorable May 6 budget address:

> Rates of interest are high, but the way to bring them down is to slow the rate of inflation. This will take time. Meanwhile, I expect the banks to continue to give preference in their lending to small business, mortgage finance for housing and borrowers in the less-favoured regions of the country.

However, sir, expectations are not policy and the Minister of Finance's management of the Canadian economy has led us, among other things, into another classic boom and bust cycle in housing construction. The severity of the problem and its impact on our society calls for effective action and we are not getting it. One reason the mortgage market is so difficult for someone trying to build a new home is apparent. In August, 1971, the percentage of NHA guaranteed mortgages being used to finance the purchase of existing homes was 5.6 per cent; in August, 1972, it was 8.5 per cent. In August, 1974, the percentage of NHA approved guaranteed mortgages being utilized for the purchase of existing homes, rather than building new homes, was 45.4 per cent. That was 45.4 per cent, Mr. Chairman, of NHA guaranteed mortgages being used, not to help purchase new homes but to help purchase existing homes. That is easy to understand, because the old mortgages which might have been on the existing homes were completely inadequate in view of inflated prices when the homes came on the market. This indicates the scope of the problem which the minister faces, and he just seems to be trying to smile it away.

Mr. Chairman, the Prime Minister talks about leadership, and the Minister of Finance tells us time and time again that supply is the cornerstone of the government's anti-inflation program. Where is the supply policy for housing? It does not exist. Where is the comprehensive, anti-inflationary policy which is necessary to stabilize prices and mortgage interest rates? Where is the great leadership we heard so much about?

An hon. Member: In France.

Mr. Stanfield: Mr. Chairman, I hope the Minister of State for Urban Affairs will himself seek some answers to these questions and that he will seek some other answers from his leader, the Minister of Finance and his other cabinet colleagues. I hope he will face up to these problems, because there is no time to waste.

Some hon. Members: Hear, hear!

The Deputy Chairman: Order, please. The hon. member for Vancouver-Kingsway.

Mrs. Holt: Mr. Chairman, I regret that I must intervene in this debate—

An hon. Member: Why regret?

Mrs. Holt: —and delay our brilliant Minister of State for Urban Affairs, but I must correct the record of this morning and enlighten the hon. member for Calgary North.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: Did you set her up, Barney?

Mrs. Holt: I should like to advise the hon. member, hon. gentlemen on the other side of the House and any more of their ilk, that I am not here because I am a pretty girl.

Some hon. Members: Oh, oh!

Mrs. Holt: I am not here because I am an ugly girl. I am not here because I am nice, and I am not here to please or displease. I am here because I am competent enough to detect the intellectual sham of the hon. member for Calgary North.

Some hon. Members: Oh, oh!

An hon. Member: What has this got to do with housing?

An hon. Member: Who printed that for you?

Mrs. Holt: Also, I have the intellectual depth and training to know that he started out on the wrong premise. When he started discussing British Columbia, he was into my territory and did not know what he was talking about. Had he not spent so much time absorbed in his own eloquence and what is happening in this House, he might have known that the socialist hordes have taken over in British Columbia.

Some hon. Members: Hear, hear!

An hon. Member: That's why you are here.

Mrs. Holt: There is another one of the same ilk. I should like to suggest that the reason there are no housing starts there, and why there are zero rentals, is that there are rental freezes in British Columbia—in case the hon. member did not know about it. As far as building rental units is concerned, they are turning them into condominiums. Housing has gone out of reach; it has doubled since February because of rental freezes. As to the formula put forward by the hon. member for Broadview, we had a taste of it and I hope it never happens in Canada.

Some hon. Members: Hear, hear!

Mr. Dick: Is British Columbia not part of Canada?

Mrs. Holt: Before I sit down, Mr. Chairman, I think it would be appropriate to recognize that the hon. member for Calgary North and the hon. member sitting beside him have the same Neanderthal attitude.

Some hon. Members: Hear, hear!

An hon. Member: Author!

[The Deputy Chairman.]

An hon. Member: Barney Danson.

Mrs. Holt: Because of that Neanderthal attitude—

The Deputy Chairman: Order, please. I think we want to hear the hon. member for Vancouver-Kingsway.

Some hon. Members: Hear, hear!

Mrs. Holt: Thank you, Mr. Chairman. Because of their attitude, I should like to move that their salaries be reduced to one dollar per year.

Some hon. Members: Hear, hear!

● (1440)

Mr. Gillies: Mr. Chairman, I congratulate the minister upon his appointment and hope he discharges his tremendous responsibilities with the courage needed to meet them. Before I speak about housing, I want to comment on what the hon. member for Winnipeg North Centre said yesterday in suggesting that the condemnation of government spending should not be too great. He lectured us and said civilizations progress by spending money.

Let me say this. The times when civilizations have not made progress have been those when people have lacked confidence in the ability of their elected members to spend their money wisely and effectively. Unless we deal with estimates responsibly and effectively, we shall run into serious problems. Anyone who thinks that the estimates are handled properly in House of Commons committees obviously has never attended a committee meeting. Until the opposition is given proper staff, and until estimates are considered in the House of Commons, we shall see uncontrolled and improper spending, not because of fraud but because the estimates are not examined as people have every right to expect they will be.

I am delighted to have this opportunity to speak on schedule B concerning Central Mortgage and Housing Corporation, found on page 30 of the bill. I am speaking on vote 10 which has to do with our total housing program and policy. I was astonished to hear the minister say this morning that there is no serious problem in housing. I should not have been surprised, however, because that is how members of the government talk about any difficult situation. We are getting to the stage with this government where there are no standards, no goals with respect to inflation and housing.

I cannot understand a minister who comes from the Toronto area suggesting that there is no housing problem in the urban areas of our country. I cannot understand other senior ministers suggesting that. Today the apartment vacancy rate in metropolitan Toronto is probably below 1 per cent, and everyone knows that unless a vacancy rate is 5 per cent, the rental market will not function properly. Allowing a vacancy rate that low to develop means that the housing problems of those in the rental market will be particularly severe this winter. Rents are rising. The standard rule of thumb used to be that one should not spend more than 20 per cent of one's income on rent. Today in Toronto people are paying 30 per cent, 40 per cent and, in the case of low income groups, up to 50 per cent of income for rent. That is a shameful situation. It

brings degradation and real hardship to people with low incomes.

It has always been argued that people should not spend more than 2½ times their income on housing. The average family income in Toronto is about $12,000, which means that the average house should sell for $30,000. There are no houses for $30,000 in the area. People can no longer afford a home. Housing for middle income groups is not being built. It does not exist in our metropolitan areas.

At one time in this country people could choose their type of accommodation. Some like to rent, some to own. They cannot choose today. The difficulty is that they cannot find accommodation at all which is commensurate with their income. Considering our low density of population and the fact that we have all the things we need to build houses, the present situation is puzzling. How can one explain this very serious situation? I suppose the minister will blame it on inflation. Why should inflation cause our housing problems? Has inflation created the present housing situation? Even though the Minister of Finance thinks that inflation exists somewhere in the upper atmosphere, it is clear that not all inflation is imported.

If we want housing, we have all the land and materials we need. So why should we see in Toronto the highest housing prices on the north American continent? It makes no sense. You cannot blame our difficulties on inflation. Indeed, the reverse is probably true. The lack of housing starts and the fact that the supply of housing has not been growing adequately has contributed greatly to inflation. The increase in costs in the housing sector is responsible for much of the increase in the cost of living. The increase in housing costs obviously has been a major factor in workers asking for more income, which in turn brings more inflation. If we had a housing policy which worked, there would not be as much inflation in this country as there is today.

Housing starts are down 24 per cent this year. I want the minister to tell us why, if we must solve inflation by increasing supply, the supply of housing in Canada is dropping and therefore contributing to inflation. It cannot be suggested with any reality that our housing problem stems from inflation created abroad, but it may be argued that we have a serious housing problem because of the amount of inflation we have created domestically and the way we have tried to fight that inflation. Does the minister suggest that a major way to fight inflation is to raise interest rates? The government has followed this policy. High interest rates do not stem inflation. They contribute to it. Obviously, high interest rates do not slow consumer spending or capital investment, but high interest rates stop mortgage lending and the construction of apartment houses. I want the minister to tell us if he thinks you can slow down inflation by cutting down the supply of houses and whether raising interest rates will solve the problem.

The other day the minister said in the House—I do not want to misquote him—that we are moving away from boom and bust in housing in this country. We have not done that. The whole history of housing construction in Canada since 1946 shows a cyclical pattern involving high interest rates. The government follows a high interest policy and housing starts drop; it cuts down interest rates when the economy goes into a slump and housing starts go up. As a consequence, ever since 1946 we have had no sustained housing program.

● (1450)

We shall never cope with the housing problem until we eliminate this interrelationship between a monetary policy and housing. You see, all the programs the minister has put forward, in respect of which we are asked to appropriate some several hundred million dollars, will not accomplish very much at all; they will work only at the periphery of the difficuties. I support moves toward income-geared rental programs. I think we perhaps need land banks. I think we need more sewers, and so on. But these things do not really go to the heart of the issue. The real issue is whether we are to have a sustained building program which is unaffected by aberrations which may occur because of changes in general monetary policy. We have never, in this country, developed a well separated pool of funds to flow into the mortgage market, such as has been done through the building societies and savings associations in other countries. I do not know whether or not this is the answer for Canada; there are some drawbacks attached to it. But it is evident we shall never make progress until we tackle this basic issue.

The challenge to the new minister—and we all wish him great success—is to act with courage to face the fundamental issue. He must come to grips with the situation which has faced Canada ever since 1946, that is, the interrelationship between housing and general monetary policy. Does the government have any plan to partially isolate the mortgage market from the general monetary market, operating as it is? If not, no success can be expected in dealing with the housing problem as a whole. The only way in which people belonging to low income groups will ever get the housing they need lies in the industry increasing the supply of housing faster than the increase in demand over a sustained period in the metro areas. This can only happen if we devise a way of getting mortgage funds flowing into the market in a regular pattern.

I do not know whether the Minister of State for Urban Affairs wishes to adopt the same position as that taken by the Minister of Finance, namely, that inflation can be cured without causing any dislocation or trouble. No one who has studied the housing market since 1946 can help realizing that until there is some way of isolating the mortgage market more effectively we will not achieve the sustained pattern of housing construction needed to meet the needs of those living in urban areas.

Mr. Danson: Would the hon. gentleman like me to answer some of the questions he raised?

Mr. Gillies: I should like the minister to answer them all.

Mr. Danson: Mr. Chairman, I am surprised that a man as distinguished as the hon. member for Don Valley, a man with an academic background of some prominence before he came here, should now talk about isolating mortgage funds from reality. This is a government which deals in reality. We do not set interest rates in isolation from the real world in which we live. Any time we do that, we must do it through a form of subsidy in one way or another. It is

better to understand this fact. If the hon. member is trying to hoodwink the people of this country, or even the members of this committee, along the lines that the government has set, or can set interest rates in isolation to reality, I think it is unfortunate. To suggest that we use it as a method of affecting the economy—

Mr. Stanfield: He did not suggest that.

Mr. Danson: Let me say this, then. We have consistently put more money into the housing market each and every year. In 1973 the figure was $923 million. In 1974 it is $1,262 million. There has been a constant pattern of increases of this nature. We have built more social housing in the past six years than was built in the previous 22 years combined. Members of the opposition ask, "Why don't you do something about it?" Evidently they were not listening when I listed 17 or 18 specific programs. When the Leader of the Opposition says we should do something about assembling land, I can only wonder where he has been. We have established a fund of half a billion dollars which is being used effectively and to which the provinces and the municipalities are responding. These are the things we are doing.

The hon. member for Don Valley raised a good point when he talked about the flow of mortgage funds. I am directing a great deal of my attention to this subject. However, I cannot come up with magical solutions because I have responsibility for taking action rather than criticizing. We must maintain the flow of these funds, but we cannot do it in isolation from world interest rates. We must do it in the real world in which we have to live. Most people recognize this fact. You cannot fool the people of Canada. Hon. members opposite could not do it in the last election, and they are not going to fool them again by this distortion of economics.

Some hon. Members: Hear, hear!

Mr. Danson: Consider what has been accomplished through the programs to which I have referred. Consider the limited dividend program. Members across the way said builders would not go along with it. But the money is there and the proposals are coming forward. We are prepared to break these funds loose. This is the way in which to use the taxpayers' dollars to the maximum advantage and break the money loose for low income housing. For the same reason, we have set up the mortgage exchange corporation. We cannot deny there is a problem, but every time there is a problem the opposition tries to turn it into a crisis. The people are not fooled by that any more. They know that life is not easy; that it is full of problems. And the government is here to deal with problems as they arise.

I feel there is a big market for investment of mortgage funds from outside this country. Many are interested in investing their money in Canada because, thanks to good government and the state of our economy, we provide a safe haven for it. I should like to see more aggressive methods used, perhaps by CMHC, to secure a greater share of this money for housing. If people abroad wish to invest a great deal of their money with financial security, they can easily find a safe investment and a productive return in this area. We will not get money into the mortgage market unless people respond to the real world. People will not invest in that kind of situation any more than builders will build buildings when there are rent controls.

● (1500)

I think I have answered a few of the points that have been raised. The question of supply is fundamental. This is why, when we talk about completion of houses, the fact that we will have completed 250,000 by the end of this year—the second highest in our history—is not a bad record for a crisis situation. However, the amount that the private sector is putting into existing housing does disturb me, especially in the hon. member's beautiful city of Halifax. I would urge the private sector to put a higher ratio of their lending into new, low cost housing rather than into existing housing.

Mr. Stanfield: That is the "real world" you are talking about?

Mr. Danson: Yes, that is the real world. In the program for which I am responsible, a great percentage of the funding is going into existing housing and is doing a job, namely, helping people to buy homes. This is the kind of trade-off that we have to face. Do we use this money to help people buy homes, or for the twofold purpose of buying homes and increasing the housing stock? I made that decision knowing that it would affect people adversely, but in the belief that the ultimate benefit of all is best served by concentrating taxpayers' money into new housing. Certainly, the thrust is to increase that supply and to use it with maximum leverage to improve housing standards for Canadians.

As a matter of interest, I might mention to the hon. member for Don Valley and to the Leader of the Opposition who also spoke about supply, that there were 130,000 new family formations, 30,000 household non-family formations—a new phenomenon, I suppose, in our society—and 25,000 vacancies or losses of older homes that had deteriorated, making a total of 185,000. So the total requirement to keep up with growth amounts to 185,000 starts or completions, whichever way you wish to put it. This compares with our record last year of 268,000 starts and 250,000 starts this year.

I recognize as a valid point that there will be difficulties next year. We are down 23 per cent to 24 per cent this year, compared with our American friends who are close to 50 per cent down. So there is a problem. Nevertheless, I suggest we are doing better at controlling inflation than almost any other nation in the world, and we can do even better. Hon. members will soon hear of the new programs that I propose to introduce into the House, or modifications of existing programs from which we have learned a great deal. These will improve the situation materially.

The Deputy Chairman: The hon. member for Don Valley has a few more minutes.

Mr. Gillies: Mr. Chairman, I am astonished at the response given by the minister to the position that I have presented. Let me tell him that I am sure the people cannot be fooled all of the time. If the minister has the time, I ask him to look at the mail from his constituents who are trying to cope with the rising price of houses and

higher rents in Toronto. In view of the statements he has made, how does he account for the fact that there is such a terrific housing problem in the metropolitan area of Toronto? People do not manufacture problems. Rents are going up as never before. Prices are so high because supply is down. There is no new construction because interest rates are so high.

I hope the minister is not suggesting that the government of Canada does not influence interest rates in this country. I was trying to suggest to the minister—this is a point that he missed—that he is dead wrong if he thinks that this government has not used, either directly or indirectly, housing as a stabilizing factor on the economy. It always has, and it is doing so now.

As minister responsible for housing, should he not now be putting forth a policy or program to remove once and for all the concept that we are always going to use housing, riding on the backs of people who can least afford it, as a stabilizing factor on the economy? Obviously, interest rates are influenced by many factors, but in 1946 the government of the day was able to bring in a direct loans program which moderated the impact of general monetary policy on the mortgage market.

What I urge this new minister, a man with the respect of every member of the House, to do is try to find a way to eliminate the use of housing as a stabilizing factor. It means nothing that there will be 240,000 house completions next year, if the year after the number is going to go down and then up again like a yo-yo, always in response to monetary policy. What we need, if we are going to solve the housing problem in this country, is a well organized and well oriented construction industry that knows there is going to be a continuous flow of mortgage funds.

The Deputy Chairman: Order, please.

Mr. Gillies: That is the real problem. These other considerations are just peripheral.

The Deputy Chairman: Order. I hesitate to interrupt the hon. member, but he was given a little extra time since the minister's reply was at some length. May I also remind the hon. member for Hamilton West that if he wants to ask a question at this point, he will be using up his time; and there are other members who rose ahead of the hon. member for Hamilton West and who should be recognized first.

[*Translation*]

Mr. Beaudoin: Mr. Chairman, I listened very closely to the minister responsible for Central Mortgage and Housing Corporation, the Minister of State for Urban Affairs (Mr. Danson). To my mind, he may be going in the right direction, but the way strikes me as slightly foggy. The government has certainly done much to encourage the building of single-family units in the last few years. Still, much remains to be done.

I feel that the main problem homebuilders, private or professional, must face is that of the exorbitant cost of water and sewer mains.

In 1968, it cost $45 a linear foot to install sewers and water mains in Toronto, Montreal, Winnipeg and Vancouver. The cost has now gone up to $90 a foot in those same four cities. Add to that the problems created by the persisting misundertandings between the province of Quebec and the federal government.

The Quebec Department of Municipal Affairs does not decide early enough with the federal government where grants will be made for the installation of water and sewer services to allow the interested parties to pay the cost. At a cost of $90 a foot, those services are much too expensive, in the case of a 100-foot lot, for a private citizen to ever hope to own his home.

To service costs must be added the excessive interest rates, the rise in building costs over the past three years, so that for a $20,000 investment, that is, an ordinary 4-room house, the monthly payment amounts to $325, that is, $250 for mortgage and $75 for services. Once you add to this the water and school taxes, you reach a dead-end. No citizen can afford to pay $325 a month in addition to taxes for a house. He is therefore compelled to look for an apartment to rent.

In the Sherbrooke area, the situation is not so critical as elsewhere, but in such large centres as Toronto and Vancouver, where land prices have increased threefold over the past two years, it has become impossible. In these cities, people cannot build their own houses, nor avail themselves of the benefits available from the Central Mortgage and Housing Corporation which lends low rate money to those whose annual income is less than $10,000. These people must therefore look for apartments to rent. They are willing to pay excessive rents, as in Toronto for instance.

This creates decidedly an interesting situation. Therefore, I suggest that the minister should make it possible to have better coordination between municipal, provincial and federal governments. For the sake of those who want to buy land, it should be known once and for all where the provincial government will grant subsidies to provide services.

In his contribution to the debate on the Address in reply to the Speech from the throne, the minister said:

● (1510)

So far this year CMHC has made direct loans amounting to more than $568 million to finance more than 27,000 homes—about two-thirds of them new construction. I announced a few weeks ago that we were prepared to put $50 million at 8 per cent if builders in some of the larger cities would build housing for rent at agreed-upon moderate rates.

I would point out to the minister that builders are willing to build low-cost housing. But in view of the investment cost and the lack of cooperation from municipalities which do not have the means to help them, one has to realize that the contractor has built 40-, 50- or 60-unit building whose rent he estimated at $225 or $235 a month but for which he now has to charge $300 a month because prices are changing too fast. Such a project takes six or seven months or even a year to finish. The prices have changed so much that it is impossible for the developer to rent his apartments for a reasonable price. The minister also said that:

Earlier this year we secured the co-operation of private mortgage lenders who agreed that high ratio loans should be available only for housing in the middle and lower price range.

In my opinion, this is applicable to projects around a small town like Quebec city, Sherbrooke or Granby because, in or around those places nobody, except for a few isolated cases, thought of acquiring land and waiting until the municipality or the province decided to go ahead with development. Generally, the land was not bought by people with a view to taking advantage of the situation.

I am sure that in my area, Mr. Chairman, houses can still be built for $22,000 or $25,000. Of course, this would not be possible in Toronto or Vancouver. I had the opportunity to visit housing projects in Toronto, big construction projects for what was supposed to be moderately priced housing, but actually the apartments are renting out at $300 or $400 a month. This housing was built for people whose income is less than $12,000 a year. They just cannot afford them. The builders keep them empty for one or two years or often go bankrupt. and the CMHC only has a small amount to pay and has to have houses finished in order for them to have some sort of value.

If the minister has low cost housing in mind, he still has a long way to go in the future to manage it. The minister also told us that the government will establish for next year, as it did last year, a general classification for people who buy a moderately priced house for the first time. They have suggested that a $500 subsidy be granted as a form of compensation to those who are particularly in need of help to pay sales taxes on building materials. That matter was dealt with in the last estimates and I think that suggestion will be put forward again as soon as it can possibly be.

I urge the minister to go on in that way, but I think the $500 subsidy which would lower the cost of buying a house should be raised to $1,000. Most of all, the CMHC should ensure that the subsidy would really be used to buy the house. It would otherwise profit the contractor or the intermediaries.

I think the minister seems to go in the right direction, and I believe that this amount of $500 should be paid to the home buyer.

Mr. Chairman, the minister has also announced that he would relieve of a part of his income tax the buyer of a first house, whether it be a young couple or the individual who buys a single family home for the first time. I did not go thoroughly into his speech and I do not know whether the matter concerns only a single family home or a duplex, but I think it is the former. If his intention is such, I am convinced that we will pass a worthy legislation. That could contribute to relieve the congestion of large cities, and eventually allow everybody to own a house.

Mr. Chairman, there is another matter I would like to bring to the minister's attention. It concerns the scale used in respect of the salary which must be earned by the individual who wants to get a mortgage loan at a low interest rate.

Anyone who now earns less than $7,400 a year is not entitled to the annual $500 grant. I would like to suggest to the minister to increase the grant to $1,000 a year since, at the present time, according to the established scale, the person who really needs a house and supports a small family is generally the one who earns the lowest salary. Those who earn high annual salaries of $20,000 or $25,000 do not worry at all because they can easily buy a house.

On the other hand, for the one whose annual income ranges from $5,500 to $8,000, there is a difference of $2,000 which should be taken into consideration by the minister.

The minister said later that the year 1975 would be fruitful for the low wage earner who will want to acquire a house. As for me, I am not as optimistic as the minister, because I believe that the rate of interest must stop increasing or stay at the present level for at least one year.

On the basis of my personal experience, I can say that in 1974 my company built houses at an interest rate of 9¾, 10¼ and 11½ per cent. This is a significant change if we think about a $19,000 mortgage on a single family dwelling. It makes all the difference, and, finally, the person who was interested yesterday in buying a house will not be able to afford it tomorrow, because his salary will not have changed while his obligations and purchasing power will.

I believe that the minister would be making some progress if he could tell us when the interest rates of the Central Mortgage and Housing Corporation will stop changing every three, four or six months and will finally be stabilized. In my opinion, this would be helpful.

I would also like to point out to the minister that to set the construction industry back on its feet, or at least to maintain it, it is essential that the person in charge of the Central Mortgage and Housing Corporation meet more often with the Minister of Municipal Affairs of each province so that cities can develop harmoniously. More land should also be made available to those who want to build a house.

● (1520)

[*English*]

The Deputy Chairman: The hon. member for Winnipeg South Centre.

Mr. Alexander: I rise on a point of order, Mr. Chairman. We are now engaged in a debate involving individual members, but perhaps the House will bear with me for a moment. I have not heard the minister say one word about senior citizens. With all due respect, I think this is one of the most important aspects of the housing industry. I know the minister receives letters, just as other members do. I remember during the election, as I am sure the minister does, knocking on the doors of senior citizens on the third floor of buildings. I want to know what effort is being made by the federal government, the provincial governments and the municipalities working together to relieve this very serious situation.

Ever since I have been here the situation has been that the supply is nowhere near the demand. I want to know what we can expect from this department to give some relief to our senior citizens. I heard the minister emphasize the young and the middle-aged. I go along with him to a point, but I think the priority should be in terms of the senior citizens. What is his department doing in respect of this very serious problem?

Mr. Danson: Certainly, Mr. Chairman, the hon. member has heard me speak about the young and the middle-aged. I think it is important that we be concerned about everyone. I believe my hon. friend has also heard me speak

about my personal priority in the social field, which happens to relate to senior citizens. Because I do not wish to create any false hopes, build up expectations or play a game with the senior citizens, to whom we have great responsibility and for whom we have great respect, I want to make certain that I have the exact figures so that I may be specific. There are many programs involving the municipalities and the provinces. There is the limited dividend program. Some are non-profit programs and some are co-operative programs.

Mr. Alexander: They are not working, and you know it.

Mr. Danson: I want to make sure that I give the hon. member and the senior citizens an accurate answer in this regard. I hope the hon. gentleman will bear with me, and perhaps at the next opportunity to intervene I will give these figures precisely. I think, in all fairness, there have been improvements in some constituencies. Many members from all sides of the House have spoken to me about senior citizens' housing and are aware of the responses that have been made. There have been improvements; it is almost a minor miracle. I am not saying, however, that we have solved the problem. If the hon. member wishes to play games, that is up to him, but I intend to give an honest answer.

Mr. Alexander: On a question of privilege, as a member of the class of '68 I am a little surprised at the minister. At no time have I implied that I was playing games. I am shocked to think that the minister would look at the hon. member for Hamilton West and think he is playing games in this important area. He may talk about other constituencies, but I know that in Hamilton West, if I do not receive three or four letters a week from senior citizens in this regard, something is wrong. The supply is not there. It does not look as if the situation is changing at all. The situation may be different in some other constituency. But I want to know whether these people can expect relief. It is a shame that they should have to live in this standard of housing. The minister knows this as well as I do. He should not be bombastic about this problem.

The Deputy Chairman: Order, please. With all due respect to the hon. member for Hamilton West, I must remind him that he took the floor first on a point of order and next on a question of privilege. I do not believe that in fact he had a point of order or a question of privilege; he rose to intervene in the debate. That would be acceptable except for the fact that the Chair had recognized another member of his party. If that hon. member is prepared to yield to the hon. member for Hamilton West, then the hon. member for Hamilton West may proceed.

Mr. McKenzie: I so yield, Mr. Chairman.

Mr. Alexander: Mr. Chairman, I certainly accept the remonstrance given me and I shall now sit down, because I know I have made the point with the minister.

Mr. Danson: Mr. Chairman, I rise on another point of order. Since this question was raised on a point of order, I would like to answer it.

The Deputy Chairman: Order, please. It is not a point of order at all. The minister is rising to speak to a point of order which was not, in fact, a point of order under the rules. At the next opportunity the minister has to rise, he may incorporate the answer in his remarks. The hon. member for Winnipeg South Centre.

Mr. McKenzie: Mr. Chairman, in rising to speak on the urban affairs estimates I wish to devote my time to Canada's housing problems and the need to assist Canadians in obtaining decent shelter at reasonable cost. It is a time for action, not reports, studies and statistics like the $100 million urban demonstration program that the Liberal government proposed last March. This $100 million study is nothing but a diversionary tactic and is clearly ineffective to assist in solving the existing housing crisis. The $100 million could be spent much more wisely, such as in providing serviced lots and reducing interest rates.

To say there is a national housing crisis in Canada is the understatement of the century. Housing costs are rising at a rapid rate. We must now look to new programs and approaches to provide more housing, and more economical housing. One area to which we must give careful consideration is the provision of more mobile homes and trailer parks. Mobile homes can be made permanent as they are a kind of prefabricated housing. Today I wish to present a new horizon for housing, namely, satellite towns and attractive residential parks. The popularity of mobile homes is increasing steadily. An estimated 25,000 new units were used in 1972 in Canada. More people are turning to mobile homes than to other more conventional types of residences.

● (1530)

Today I will speak of a more community-oriented type of mobile home area, with proper fire protection and facilities. Today, the lifetime family home has all but disappeared due to a wide variety of social and economic causes. People move about with mounting frequency. This factor of mobility in modern family life has reached the point where it warrants due consideration in every urban study. I should like to quote from a recent news release entitled "Canadian families are moving more". It reads:

> More Canadian families moved from one city to another last year than in 1972, says the Coast to Coast Real Estate Service.
>
> A survey of long distance moves shows that 21,777 households were relocated in another city during 1973 compared with 17,493 a year earlier.
>
> More than half the trips originated in Toronto, Montreal or Ottawa, about 20 per cent in Winnipeg, Calgary, Edmonton and Vancouver and 10 per cent in Halifax and Quebec city. The balance of the long distance transfer business was shared by other major urban centres such as Hamilton, Regina, Saskatoon and Victoria.
>
> Coast to Coast Real Estate Service is an association of more than 100 realtors in 187 offices across Canada.
>
> Frank Hodges, vice-president and manager of corporate relations for A. E. LePage Limited, Toronto, a real estate company, said recently nearly 750,000 families changed their place of residence last year, the vast majority within the same city or to nearby communities in the same province.
>
> If the trend in the mobility rate, as indicated by family allowance statistics, continues, he said, Canadian families a few years from now will be moving once every three years.
>
> "Being moved has become a way of life for certain occupations", he said. "Our own experience would seem to show that the number of household relocations is evenly split between government departments and agencies and private business".

A typical case is that of a head of family transferred by his company to another city. Commonly, the wife and family stay behind until the house is sold and the current school term is finished. Houses take time to sell. As the holiday time draws near, the wife becomes increasingly anxious to sell. Far too often it happens that in order to resolve the long uncertainty and rejoin her husband, she takes a beating on the sale. At the other end, the husband is unfamiliar with the prices of houses in the city to which he has moved. He also has a deadline in the purchase of a home, and it is quite possible for him also to take a beating on the price he agrees to pay. At both ends someone pays a substantial real estate commission. Excellent jobs in faraway places are constantly presented by Manpower, but they are often beyond the reach of the man who owns his home. This type of situation works to the disadvantage of both employer and employee.

Circumstances such as these, together with the rising cost of houses, have created booming trailer sales across the country. But trailers have their limitations. In many ways they are a poor substitute for a conventional home. But the market continues to expend and where sufficient need exists, development will follow. It may well be that mobile homes will evolve in ways that have not yet been considered. A possibility with a seemingly great potential is that of a combination of the old and the new. Why not have basic mobile units with supplemental stationary living space available, on a rental basis, in designated residential areas in every major population centre of the country?

The two sections of the mobile home would be readily attachable. This is the only part of either unit that would need to be standard. The mobile unit is not too large, as trailer sizes go, but it is completely self-contained. It would make a practical, low-cost home for several years for a newly married couple. Any time they wish, they can obtain a supplementary unit on a rental basis, and if and when they want to move all they have to do is move their furniture out of the rental unit into their mobile home and they are ready to go. They can turn their mobile unit progressively into a two, three or four-bedroom house complete with basement, in any part of the country, as the family's needs expand, and when the children have grown up and moved away the parents are not faced with the costly problem of disposing of a house that has become too large for their needs. They can go back to their original trailer unit and in retirement or old age move anywhere they wish.

This type of combination unit lends itself to satellite towns, slum clearance projects, new mining towns in out-of-the-way places, and especially to armed forces personnel. Both the supplementary and the mobile unit are within a wide price range, and also there is a wide choice in the type of lot on which they can be located. Spacious lots with lawns and gardens, or modest lots at a minimum price may be available. A sufficient number of lots would have to be available for unattached trailers as well as combination units. Mobile units will have to be somewhat wider than highway regulations now permit, but if the need arises both the legislation and the highways will adjust.

[Mr. McKenzie.]

There is an opportunity for radical change in both the design and methods of construction of mobile units. Not only the mobile unit, but the relatively small and simple stationary section could be built in a centrally located factory on a mass-production basis and easily moved to the desired location. The plumbing facilities will all be in the mobile unit, the heating will be electric, with the panel located in the mobile unit. The mobile unit will tend to become more like a conventional house and less like the present type of trailer.

The wheels could be eliminated and the chassis redesigned in such a way as to allow for ready transportation on a low-bed unit. The present practice is to move the trailer with a rented tractor, so why not have the tractor supply the wheels also and carry the mobile unit instead of pulling it? This would save a great many sets of wheels which are seldom used and it would reduce construction costs. The mobile unit will have to be placed on some type of surface foundation with a heated crawl-space. It will have to be sufficiently light and rigid to lend itself to moving.

The mobile unit plan I propose takes up an area of 488 square feet. The construction cost of conventional homes today is approximately $22 or more per square foot, exclusive of the price of the lot. At that price, the cost of a dwelling of this size would be approximately $9,900. This price, however, includes a basement, installed sewer and water lines, and municipal fees, which altogether would amount to at least $2,800. This would reduce the cost to $7,100. Add $300 to this price for selling costs, and we have a round figure of $7,400. With the economy of large-scale, mass-production methods, this is a realistic figure. With a down payment of $500 and a subsidized rate of 8 per cent, a monthly payment of $78.87 would pay off the balance owing in 12 years. The three-bedroom supplementary rental unit has 390 square feet of floor space. At $20 per square foot, construction costs will amount to $7,800. This figure includes complete plumbing and kitchen and bathroom cabinetwork, but these are in the mobile unit. The control panel for the electrical heating and lighting is also located in the mobile unit. There is also the factor of centralized mass-production methods of construction. Altogether, the saving per square foot could amount to as much as $2,600. Building lots in developments specifically designed for the purpose, beyond the scope of the land speculators, might start at a minimum price of $2,500, with larger and more expensive lots available. We thus arrive at a minimum cost of approximately $7,700.

● (1540)

If the residential park is owned by a Crown corporation and operated on a non-profit basis, the basic cost to the tenant would be taxes, interest on the investment, depreciation and administration. Interest at 8 per cent on $7,700 amounts to $56 per month. Taxes on a dwelling of this value should not run over $25 per month. Let us say a minimum rental of $85 per month for the three-bedroom unit, with four bedrooms costing a little more and two bedrooms a little less. The rent on parking space for the trailer alone would run from $5 per month up, depending upon the area required and the number, if any, of school-age children. It thus appears that payments on the mobile

unit, plus the rental on a supplementary unit, could be held to a minimum of $110 per month.

In the time it would take for a newly married couple to reach the point where a supplementary unit became necessary, the monthly payment could be held to a minimum of $55 to $60. With the addition of the supplementary rental unit, the price would go up to $110, where it would remain until the mobile unit was paid for, at which time it would drop back to the $65, more or less, rental for the supplementary unit. When the children grew up and moved away, the rent could be reduced to the price of a parking lot for the mobile unit alone on the basis of a childless couple, perhaps not over $10 per month.

This is a housing concept of a truly revolutionary nature. It may have sufficient merit to become a major factor in the building industry. Five hundred residential parks, with an average capacity of 1,000 dwellings, including both single and combination units, might not be too much to look for in the first five or six years of operation. The provision of so many low-cost homes of this type could not fail to have a profound effect upon all other types of housing. It would have a powerful effect upon the currently inflated prices obtainable for every type of older home.

The type of residential development required could be designed to be aesthetically acceptable. There would be trees and lawns and boulevards and playgrounds for the children, as in any modern suburb. In every case, the supplementary unit would be in front and the mobile unit hidden from view at the rear. In the residential parks, there also could be variations in exterior design. Many variations and improvements would be sure to follow if the project is put into operation.

No doubt there will be criticism of my proposal, but I hope it is constructive and perhaps others will have new ideas and innovations to put forward. But mainly, we must take drastic measures to lower housing costs. I believe my satellite town proposal is a step in the right direction.

Mr. Cullen: Mr. Chairman, I want to begin by congratulating the minister on the portfolio which he now holds. When he and I came to this House in 1968, we were seatmates. I did not think he would go so far to get away from me. I was interested to hear the hon. member for Don Valley and the Leader of the Opposition refer to the minister as affable and say that he was seemingly trying to smile away his problems. I would suggest to them that they not underestimate the tenacity and competitiveness of the minister. They should not be misled by his affability or smile, because the minister has a very enviable war record. He came through the war and established a business, making a huge success of it. He has fought three successful election campaigns and now sits on the treasury benches. All this should be an indication of the toughness and tenacity of the minister. I would say, if they need to be reminded on the other side, that they should speak to the gentleman who spent almost a quarter of a million dollars in two elections trying to take the seat away from the minister.

Mr. Alexander: Let's get into the housing problem.

Mr. Cullen: Mr. Chairman, the hon. member for Hamilton West thought the only way he could get into this debate was by bootlegging a point of order and a question of privilege. He indicated his concern for social housing, and I know he has that concern.

Mr. Alexander: You betcha.

Mr. Cullen: The problem is that when his party was in power, unhappily they did not have that concern. Can you imagine how many senior citizen housing units we would have today if they had come up with the idea in 1957-58? Now we have to catch up because of the failure of that party.

Mr. Chairman, I, too, was sitting as a backbencher and considering the AHOP program and listening to the opposition's criticism that it would never be used. Not only is it working, but funds are running out and in some areas they ran out because of its success. I think the former minister is to be congratulated for this and I hope the present minister will be successful in obtaining more funds for the program.

The members who have addressed the committee today, Mr. Chairman, have been mainly from our larger centres, such as Halifax, Don Valley, Toronto, Broadview, Vancouver and Hamilton West—with his bootleg comment.

Mr. Alexander: That's all right. I made my point.

Mr. Cullen: We have not heard as much from the smaller areas and I should like to make a representation on behalf of the Sarnia-Lambton area. The hon. member for Lambton-Kent is not present, but I know he shares my concern over the impact of the expansion of the petrochemical industry in the Sarnia-Lambton area. There is going to be a desperate need for housing there.

The hon. member for Winnipeg South Centre has suggested a program. Perhaps that is the way we will have to handle the problem of many people moving into a particular area, because of construction, who will ultimately leave the area. That is the kind of positive response that I like to hear from members of the opposition; not just criticism but positive suggestions. I do not know whether the hon. member's idea has merit, but I think it warrants study.

The mayor of Sarnia has written to the minister on behalf of the city and its environs, indicating that in the next five or six years 6,000 or 7,000 people will be in the area at one time. This is a matter of serious concern, not so much to the city of Sarnia but to the townships, because there is no more room to build within the city boundaries. The township have the problem of becoming dormitories only, because they have to rely on a real estate tax base that has not much industry. This problem should be resolved by the federal government, the provincial government and the municipal governments working in co-operation.

I am happy that the deputy minister of housing for the province of Ontario met with the mayor of Sarnia. They have announced that there will be an area housing study. I would ask the minister to give consideration to lending some personnel from his department to participate in this study. The minister speaks primarily of ten critical market

areas, but it seems to me that one more should be added—the Sarnia-Lambton area. I do not think municipalities can handle a problem of this scope, because they do not have the tax money available. It should not be left entirely to the provinces, either. This is a situation where the three levels of government should get together.

Why are we so sensitive about this problem, Mr. Chairman. People in the Sarnia area remember when the Polymer Corporation moved in during the war; they remember the emergency that resulted from the construction which took place. There was an influx of people and we ended up with a section of the community called Blue Water. Houses were just thrown up. Then 15 or 20 years ago we had the expense of clearing out that area, expropriating and compensating people for their substandard homes and moving them to other parts of the city.

● (1550)

There is a little time left, and we want to avoid problems. Therefore, I hope the minister will consider the representations of the mayor which were set out in a letter he wrote the minister and the Minister of Finance. This project concerns an area larger than Sarnia. If the kind of expansion Alberta is embarking upon takes place, such a program could form a pilot project which could affect people who are required to move out of an area once construction work has ceased. I think in this way light could be shed on how to cope with a serious problem.

Mr. Carter: Mr. Chairman, I join my colleagues in congratulating the minister upon his appointment, and wish him well. Considering the poor act he is following, he cannot help but look good. From what the minister said in the House and in committee, one would think there is no housing problem, that talk of slums and inadequate housing is nothing more than a rumour started by 200,000 or 300,000 Canadians who live in substandard houses. Some of the programs the minister announced are not performing the function intended for them. With all these intials, NIP, LIP, LEAP, AHOP, and so on, I expect that in ten years we shall have a third official language in Canada.

The neighbourhood Improvement Program is not working as well as it should. It discriminates against the poor provinces because, although the government agrees to make funds available under the program, the balance must be made up by the municipality or province, which may not be financially capable of providing the required equity. For example, under the Neighbourhood Improvement Program, the government gives as a grant 50 per cent of the cost of a project and lends 75 per cent of the rest. This must be paid back by the municipality, and the province must also come up with a substantial amount of equity. It is no use providing, say, $.5 million to St. John's, a city of which I can speak with some authority, because the city cannot match the government's offer and cannot undertake the program.

What is the minister's motive in restricting assisted home ownership for new houses? I suggest the reasons given by him justify a continuation of the application of the program in the purchase of older houses. Not everybody who can qualify for AHOP can afford or wants to buy a new house. I suppose the minister thinks that if AHOP applies to new housing, it will boost the building industry and result in increased starts and completions. Obviously, his plan is failing. In September of this year housing starts were 34 per cent below those of the previous year. The program is not proving effective in providing new homes, and the results are apparent with the lumber industry and with trades connected with the building industry.

I join my colleague from Hamilton West in saying that we must treat our citizens more fairly. Like the hon. member, I have received many inquiries from senior citizens in my constituency who have begged me to intercede on their behalf and find for them a decent place in which they can live their last few years. Is it not a sad commentary on our government and on our society that our senior people who gave so much in the service of this country, who raised families and contributed so much to the development of this country, should spend their last few years pinching pennies, trying to make ends meet, and often paying rents which are totally unacceptable, considering their meagre incomes. In many cases their only source of income is their old age security pension and the guaranteed income supplement.

I draw the minister's attention to the situation existing in my riding. I suspect the same conditions prevail elsewhere in Canada. I am talking about the raw deal we have given our senior citizens. Some senior citizens' apartments are in complexes that were built under the limited dividend section of the act—section 16, I believe. I think the minister is familiar with this question. I gave him copies of letters which I had sent to his predecessor. It turns out that the occupants of these homes are now in their sixties and seventies and are not eligible for government assistance or subsidy to offset the increasingly high rents they must pay. I suggest the government must help old people living in these complexes to qualify for some type of assistance, some type of subsidy similar to that given to people in apartments which were built under section 44 of the National Housing Act. Under that section, the federal government provides 50 per cent of the subsidy and the province and municipality the other 50 per cent.

I want the minister to tell us what steps are being taken to alleviate the harsh burden being carried by so many of our senior citizens. I have evidence that the people who live in these homes—which, by the way, were built through public financing under the limited dividend section of the act—are paying as much as 70 per cent of their total income in rent. This makes a mockery of the income formula which has been adopted by the government and by CMHC and has been used by them in computing mortgage payments, and so on. A further interesting aspect is this that one of the conditions under which these apartments were built is as follows:

● (1600)

The rentals to be charged shall be rentals which the corporation deems to be fair and reasonable having regard to the probable family income of the occupants of each family housing unit.

So I contend that the government has a serious responsibility to the people who occupy homes which were built under that section of the National Housing Act, a solemn responsibility to ensure that the rents being charged are fair and reasonable and bear a reasonable relationship to the family income of those occupying the units. I could

continue, but there is not much I can say that has not already been said in the course of this debate. I wish to impress upon the minister the importance of doing something for our senior citizens. It would not cost a great deal of money; I am sure we could trim the fat off some of the government departments to help these people who have done so much for us and who must spend the last years of their lives in near poverty, trying to balance an impossible budget. I should like the minister to tell me what plans he has, especially for those who live in these complexes which were built under the section of the National Housing Act to which I have referred.

Mr. Danson: In view of the concern expressed by the hon. member for Hamilton West and by the hon. member for St. John's West, I think the committee might be interested in figures relating to senior citizens' housing. None of us would ever agree that we have enough, but out of a $400 million budget for non-profit housing over 50 per cent goes to senior citizens. That is a bias in favour of senior citizens by comparison with the rest of the population.

Moreover, in the public housing sector of the senior citizens' housing program the existing stock totals 32,895. Currently under construction across Canada are 16,400 units. So the stock presently under construction represents an increase of almost 50 per cent. This is being done in accordance with programs which hon. members opposite find inadequate. I agree they are inadequate.

Some hon. Members: Hear, hear!

Mr. Danson: I should like to double that number, or triple it. We talk of problems, and there are problems. But we are meeting them head on. And this does not include the non-profit housing, in which sector another 6,000 units came on this year, that is between January and September.

An hon. Member: And the people are still waiting for houses.

Mr. Danson: Well, I expect some rational approach from hon. members opposite. We would like to do everything at one time, but even Liberals cannot do that. I am not satisfied. We want to do more. I see the hon. member for Hamilton West has just returned to the chamber. I am sure he heard the figures from behind the curtain. I have been very impressed by the quality of the debate this afternoon. Hon. members have referred to me as being affable and smiling. That is one of my problems. I refuse to carry the world on my back as a burden, but I take my job deadly seriously. I always have. Whatever I have accomplished in life has been through working extremely hard and never giving in.

Mr. Alexander: True to the class of '68.

Mr. Danson: The important thing is not to take oneself too seriously. I see a lot of people here who take themselves so deadly seriously that it is frightening. But they do not accomplish anything. However, as hon. members pointed out, we do have problems. Some of them are being managed quite well, though there are others which perhaps are not being managed to our own satisfaction. We have made mistakes, but they have been mistakes of comission. We have some excellent programs in force now.

We have been talking here—some will say ad nauseam—about AHOP. The fact is that AHOP has been very highly successful, and since it has been so successful I want to find out whether we can stretch it still further, even though it may not be perfect. As to limited dividend rental housing, it is important for us to realize that the rental housing situation is probably the closest thing approaching a crisis which confronts us unless we fail to act quickly, particularly in the major centres.

Mr. Woolliams: That is exactly what I said.

Mr. Danson: This is why we have used a section of the National Housing Act, section 15, in order to secure funds which would normally have been used in other programs—programs which for one reason or another were not moving quickly. So we found $50 million for the last quarter of this year. Everyone said it could not be done, that nobody would respond. Well, they are responding right across the country. Sixteen developers have shown interest in St. John's, Newfoundland, alone, and 53 in Toronto alone. Yet the hon. member for Broadview was saying, I believe, that these were unrealistic levels. They were unrealistic, he said, because no one could buy a house at that price at that time. What has happened? I have the figure here of the number of AHOP units built in Toronto. It is 1,080. The fact is the price of housing was not related to costs, and when we provided money to purchase houses they were available at those prices. This is what we are achieving, and this is the success we intend to exploit.

An hon. Member: That is like giving a peanut to a starving elephant.

Mr. Danson: If the hon. member were to go to areas of the country in which his party's policies were in force, and saw what is happening there, he might not be too enamored, though I must say some of the provinces have taken great advantage of federal funding for limited dividend and senior citizens programs, and so on. I regret, sometimes, that it is not quite clear where this money is coming from.

An hon. Member: Answer the question put to you.

Mr. Danson: I think it is important to members in all parties to make certain our constituents know where these funds are coming from, because if our provincial counterparts do not let them know, they may think that you and I are not concerned or are not interested.

Mr. Dick: I rise on a point of order, Mr. Chairman. On this specific point I happen to agree with the minister that it is most important that people in our constituencies should know where the funding is coming from. However, I was wondering whether the minister would explain his policy as to when an urban affairs program is being opened up.

● (1610)

An hon. Member: What is the point of order?

Mr. Dick: If the hon. member will just listen, I will tell him.

The Deputy Chairman: Order, please. I regret having to interrupt the hon. member, but he is seeking the floor on a point of order and in fact is asking a question of the minister. That is legitimate, but the hon. member must do it when he is recognized for that purpose, not at this particular moment.

Mr. Dick: If the minister would not take so long, we would have time.

Mr. Carter: The minister did not answer my question. I appreciate that the minister is not taking himself too seriously, and I suspect that if we have any more statements like the one he made a moment ago the people of Canada will not take him too seriously, which would be unfortunate. The point I wanted the minister to clarify had to do with people living in senior citizens' apartment complexes which were built prior to the amendment to the section of the act under which they were built.

Would the minister try to find some way whereby these people can qualify for a subsidy, in conjunction with the province, similar to that now given people who live in apartments constructed pursuant to section 44 of the act? Would the minister answer that question?

Mr. Danson: Mr. Chairman, I am aware of the problem to which the hon. member has alluded, and it does disturb me. There is an inequity here. Although programs are improved as they go along, people who took advantage of a program which seemed very attractive at the time are now finding them less attractive than newer programs. I cannot promise anything definite. In some respects this problem is in the same category as perpetual bonds, old annuities. When do you start making them retroactive? But I recognize the problem. It is something we must look into, perhaps in conjunction with my provincial counterparts, to find ways to make the programs more equitable so they assist these people.

Mr. Carter: One final, short question, Mr. Chairman. In view of the fact that these apartments are financed by the federal government under the National Housing Act, would the minister undertake to commence consultation with his provincial counterparts—I ask this question because the federal government has a vested interest in these apartments—with a view to working out some kind of arrangement under which people living in such apartments will qualify for a subsidy which will bring their rents down, hopefully, to an acceptable amount?

Mr. Danson: I understand the hon. member's concern. We are presently in touch with the provincial authorities. Some programs apply to fixed rents, older ones to low rents. Others are geared to income. But the whole subject is under review. I assure the hon. member it is a problem I take seriously, and I shall take a special interest in these consultations.

Mr. Orlikow: Mr. Chairman, I could not help listening with wonderment to the glowing words of the minister in charge of housing. Last year we built about 280,000 houses, and ministers of the government at that time were very proud of that number. This year, although we are down 25 per cent from that number, they are still proud and are still boasting, even though there is no evidence at all that we have come anywhere near to meeting the needs of the people of Canada. There is no reason for the decline in housing starts except for the fact that the price of building a house and the interest rate at which houses have to be financed have risen to the extent that people cannot afford to purchase a home.

One of our criticisms of the AHOP program of which the minister is so proud is that it is insufficiently funded. The minister always tries to deny that fact, yet today he has told the committee that 1,000 homes, approximately, have been financed under the AHOP program in the city of Toronto—1,000 homes in a metropolitan area now populated by about two million people! Surely even this government recognizes how far short of meeting our housing needs this program falls.

People want to buy houses, but the cannot afford them. The minister ignores the fact that in many countries, including the United States to the south of us, governments have instructed banks and mortgage companies to lend money for mortgage purposes at regulated rates substantially lower than the commercial rate. I am not sure what the rate is in the United States at the present time, but it is substantially less than the 12½ to 13 per cent people in Canada pay. Countries such as Sweden and many western European countries have similar programs.

Thousands of families in this country cannot afford, and are not likely ever to be able to afford, a home. Thousands of our native people are without adequate shelter. It has been estimated that there are 10,000 Indian families who need new homes right now, but there is no program to meet their need. Large numbers of native people move into cities, particularly in western Canada—Winnipeg, Regina, Calgary and Vancouver—and even if they have a skill, they cannot find a job and do not have even the smallest of down payments under any program of the Canadian government that assists people to purchase a home.

What these people need is rental housing. The minister says we are building a substantial number of units, but this is like telling a person who wants to buy a bicycle that there are no bicycles but lots of Cadillacs being built, so he should buy a Cadillac. It was once said of the people of France that all citizens were equal and had the right to sleep under a bridge over the Seine, and this is what the minister is saying to those who are looking for housing. Just whom are we building houses for? Would the minister tell us when we are going to start meeting the needs of the people of Winnipeg, Toronto and Montreal who are living in dilapidated houses, houses that simply do not meet the standards of a country as wealthy as Canada?

Mr. Danson: Is the hon. member asking me a question?

Mr. Orlikow: I have been watching the minister answer questions, and I have the fear that if I sit down the minister will use up the rest of my time answering me, so I should like to ask him two more questions in his capacity as minister in charge of urban affairs, not in connection with housing. Before I get off the subject of housing, would the minister explain what he is doing about the

reorganization of his department? I have the feeling that housing decisions and housing policies are still being made in that tremendous bureaucracy we have built up over the years known as Central Mortgage and Housing Corporation. Are questions of housing policy and housing needs still being dealt with by people who are responsible to the minister, and therefore to the House, or are these decisions still being made essentially by Central Mortgage and Housing Corporation? In my view, and in the view of many people in the province who are interested in housing for the poor and middle income people, this arrangement is completely inadequate.

● (1620)

I should like to ask several questions about which I think the department of urban affairs should be concerned. Within the next 25 years, 90 per cent of the population of this country will be living in our cities.

Mr. Baker (Grenville-Carleton): Eighty-five per cent.

Mr. Orlikow: Someone suggests 85 per cent. However, the exact figure is not important.

An hon. Member: And that is sad.

Mr. Orlikow: It may be sad, but it is a fact of life. I should like to know whether the minister and his department are really looking at the problems that will flow from this urban growth. What are the minister and his department doing about developing land? Let me give two illustrations—and I do not want to get into the same bind I got into last night with the Minister of Transport. I will refer to the metropolitan Toronto and metropolitan Montreal areas. Another airport in the Montreal area has already been started at Mirabel. In the not too distant future another airport will be constructed in the Toronto area. The estimated cost of providing rapid transit from the new Montreal airport is $450 million. I am not aware of what it will cost to provide rapid transit to the Pickering airport, but I am certain it will be as much if not more.

Following the construction of a new airport, we find new factories, new housing developments and new commercial developments. Is the minister's department involved with the provincial and municipal governments in planning ahead for these things, or will we wake up one morning with a new airport at Mirabel, only to find it takes two hours to fly from Montreal to Winnipeg but two hours to get from the airport to downtown Montreal, and the same situation at Pickering? I should like the minister to deal with that problem.

What role is the minister's department playing in the movement of railway terminals from their present locations in the major cities, with all their assets, to new locations? Are we going to allow the CPR and the CNR, which is theoretically a publicly-owned corporation, to move from their present locations, as they did in Montreal, to new locations, selling their present locations, incuding yards and stations which are often extremely valuable properties, to the highest bidder in order to obtain as much money as possible?

That is what happened in Montreal. Tens of thousands of people were then brought into the area without any consideration given to how they were to be transported. Is the minister's department, the Department of Transport, the Department of the Environment, or any federal department going to get in on the ground floor in advance of these developments to see that things are done according to an orderly plan which will meet the social and economic needs of the people in the areas, or are we to permit these grandiose developments without the benefit of order, as we have in past years?

Mr. Danson: To answer the specific question, I should mention that I was in the hon. member's city last Monday and met with the distinguished mayor—who I presume was re-elected yesterday—and the premier of the province. As to what we are doing in that city under the Neighbourhood Improvement Program, let me remind the hon. member of the Selkirk Park project involving a commitment of over $4 million; the Midland housing project, which I understand is to involve another $2 million, along with the cultural centre which is to cost some $600,000. In so far as housing starts are concerned, I can only repeat again what is being done under AHOP. There are 900 units being built in metropolitan Winnipeg. That should not be related to what is being done in Toronto because one must realize that many of the housing starts in Toronto are not really within the metropolitan area.

In this group which is being served, the average family income is $6,852 per annum, with some 30 per cent having a family income of less than $6,000. Those are figures that apply across Canada and I think that is a pretty good indication that we are serving the right people. I am delighted that the member has raised these questions. I was also interested in the hon. member's comment about providing Cadillacs to people who are riding bicycles. But it is interesting to note that when money is available at low cost, housing starts increase. Having regard to urban policy, I am deeply involved and interested in such a policy relating to housing per se for individual communities. This is still a very active policy on the part of CMHC, requiring a great deal of intergovernmental coordination on a trilevel basis. The ministry itself is actively interested in this area.

The hon. member raised an interesting question regarding the Mirabel airport. The construction of such an airport has a major influence on urban development, particularly in the case of the largest city in Canada. It involves 80,000 acres under federal control. There is what is known as the Tram study specifically in relation to a transportation plan such as the hon. member mentions. I believe Mr. Douglas Fullerton is chairing that committee for the province of Quebec. Our representative is Mr. Douglas Ryan, a senior member of the ministry. So we are actively involved. This is a perfect example of co-ordination in these areas of government. These people are extremely interested in transportation.

When you think of the amount of planning required in respect of major transportation systems, such as the one between the Mirabel airport and downtown Montreal, and the acreage involved, you can imagine the amount of urban planning that must take place at three levels of government. This is of tremendous importance and I am sure these people are working seriously on the problem. The question of railway relocations is under active con-

sideration and an announcement on this program will be made shortly. There is a time lag because there must be urban planning, agreements with the provinces, and other things. But the question of railway profiteering is eliminated by the nature of the act. These companies cannot profit as a result of land transfers, but under the act they do not lose money.

We have to watch the situation very closely, and it is one of the matters that I believe will be covered in the proceedings of the CTC, the group that is monitoring these things. I do not think the CTC should be making policy decisions, but technical decisions are being made by it. So we are watching the situation very carefully.

Mr. Marshall: I should like to make a couple of comments and then follow with several questions of the minister.

Mr. Orlikow: Madam Chairman, I rise on a point of order. I think I have a few minutes still at my disposal.

An hon. Member: Give it up.

The Assistant Deputy Chairman: The Chair assumed the hon. member had concluded, but perhaps he might be allowed an additional two minutes to finish his remarks.

Mr. Orlikow: I have another question I should like to direct to the minister. If he cannot answer it immediately, I hope he will do so soon. One of the worst problems faced by this country is the shortage of housing. Certainly in Winnipeg this presents a problem. What I have in mind now is the problem as it relates to housing for native people. Some months ago—I think, in fact, it was two years—a proposal was sent to CMHC involving the construction of a native village to include housing, a cultural centre and other buildings. This is not to be located in my constituency but in the constituency of the hon. member for Winnipeg North Centre. I understand it involves the old Royal Alexander hotel site. I think it has been approved, but there has been no recent discussion between those who made the proposal and officials of CMHC or the minister's department.

● (1630)

I wonder whether the minister could give me any information on that matter now, or whether he would undertake to discuss it with me or my colleague the hon. member for Winnipeg North Centre, and, more importantly, with the people who made the proposal to his predecessor.

Mr. Danson: Madam Chairman, the projects of which I am aware in Winnipeg relating to the native people are Camew and Neeginan. It is a problem which I know the premier has taken seriously. This is a problem which he spoke about to me and my colleagues. It is an area I should like to explore further. It is of particular interest. I think the problems are rather serious. I should be pleased to go into this question further with the hon. member, together with my officials. I should be glad to arrange as complete and up to date a briefing as possible, and I assure him of the greatest consultation with the people involved.

[Mr. Danson.]

The Assistant Deputy Chairman: Perhaps hon. members will pardon my interruption. In view of the very limited time remaining, in respect of this department, between now and five o'clock, perhaps it would be the desire of hon. members to limit themselves to question and answers of the minister. Is that agreed?

Mr. Baker (Grenville-Carleton): We will do our best.

Some hon. Members: Agreed.

Mr. Marshall: Madam Chairman, since you are so agreeable I will go along with you on this. I have just a few points which I shall put in the form of questions and, hopefully, the minister will do his best to answer them. First of all, following the subject raised by my colleagues in respect of senior citizens' housing, the minister indicated that another 6,000 units were in the process of being built. I wonder whether consideration is being given, in the design of senior citizens' homes under the non-profit sector, to providing for people who are disabled and physically handicapped. I could dwell on this matter for many moments. I wonder whether the minister would ask his officials if consideration is being given to this matter, or what their plans are.

The minister indicated that in order to meet the need, 185,000 homes are required. Those provided over the past two or three years and this year represent a quarter of a million. I wonder whether the minister is aware of the increasing need because of the baby boom since World War II and DREE incentive grants which have caused expansion in places that were not industrialized before, thus creating the movement of people such as technicians and others in specialty trades. It would seem that because of this situation some infrastructure should be provided beyond the 250,000 homes, in order to cope with the problem.

If I might be a little parochial, I wish to say that through the investment of DREE funds, the district I represent on the west coast of Newfoundland is in the process of spending hundreds of millions of dollars to bring power across from Labrador to Newfoundland by way of cable. This is an isolated area and because of the jobs created there will be a need for water and sewage services as well as housing, because many people will have to move there.

Then moving down my coast, just recently a zinc mine was started which employs 300 people. This situation should also be taken into consideration. A program should be developed through DREE to work out a solution to these problems and to ensure that the money is found for places where it is needed. I could point out places where the minister could find $100 million.

I did not listen to the first speaker, so perhaps this question has been answered, but under the urban demonstration program I understand there is $100 million allocated. I do not think this is required. I wonder if the minister would consider taking this $100 million and transferring it to programs such as AHOP, NIP and RRAP. The other thing on which the minister might comment concerns the $100 million rural native housing program. This program would fulfil a great need in rural Canada, particularly in rural Newfoundland. In the release of the

minister's predecessor I believe it was suggested that 100,000 homes should be built for rural and native people over the next five years. There are not too many native people in my area, although there are many rural people who do not have the necessary funds to build homes.

Another way in which I suggest the minister could save money to help overcome the emergency would be to expand the $10 million NIP and RRAP programs. I am sure there are thousands of substandard homes in Canada. Many of these people wish to build new homes. In the meantime, however, we could relieve the emergency if more funds were found to provide these $5,000 loans with $2,500 forgiveness so that these people could bring their homes up to standard. At the same time, this would contribute to one of the most important things which should be insisted upon, that is, giving municipal building standards and insulation standards priority. This would mean a saving of hundreds of millions of gallons of home-heating fuel.

I should like the minister to give us an indication of his relationship with the Department of Regional Economic Expansion in providing housing to support industry, and also his relationship with the Minister of Veterans Affairs in respect of overcoming the housing needs of veterans who cannot acquire homes through the limited funds available under part II of the act.

I would dwell now on another matter. I have been talking to a person from Corner Brook. A university is being built there. I was told that in order to provide homes for students, the cost of the land involved would be $18,000. I am not talking about Toronto or Montreal but about Newfoundland. This is the amount required to provide a serviced lot for the many students who would be coming into this medium-sized city. In order to allow other members to have an opportunity to speak, I will leave those questions with the minister and hope he will reply to them.

Mr. Danson: Madam Chairman, there are standards and special provisions for senior citizens, such as the wide door program and things of that nature. Another program which is under way is housing for the handicapped. This should be ready shortly. We are looking for revision of the present program and are working with various departments involved with the handicapped. This should be ready shortly, and perhaps there will be legislation to deal with it. In so far as Corner Brook is concerned, this matter comes under the NIP and RRAP programs. Almost $639,000 has been accumulated.

● (1640)

As to rural and native housing, we have agreements with Alberta, British Columbia and Manitoba and we are looking forward to agreements with other provinces so that we can get those going. Our relations with DREE are very close, both in the housing field and in urban affairs, particularly in the Atlantic provinces. The Minister of Veterans Affairs and myself have a very close relationship and we have been having discussions. We happen, both of us, to be veterans. I have to be careful with my words now. At one time no one listened to me, but now I have to be careful of what I say.

Some hon. Members: Oh, oh!

Mr. Danson: Some of the programs which we veterans honestly and in our hearts understand were designed for us when we were young veterans after the war and are not applicable now. We are trying to develop types of programs that are really relevant to veterans today. I believe the hon. member has some conception of the fact that the real need of veterans now is not the same as it was for young, vigorous veterans coming out of the army and trying to raise families on half-acre lots. They have other needs now, and we must respond sensibly to those needs rather than with gimmicks.

Mr. Dick: I should like to put a couple of questions to the minister. One refers to a matter he raised in his speech in reply to an hon. member, namely, that he wants people in the constituencies to know that federal funds are being made available. I suggest that if he happens to finance a building in a constituency represented by someone other than a member of the Liberal Party, he can still make the announcement, rather than send a Liberal from the far end of the province to represent him. The constituents would at least know that it is a federal member who is representing the government. I wonder whether the minister is prepared to use that tactic, rather than trying to find a Liberal senator or Liberal member far away from the area to go in the minister's stead if he is not able to make it, and if he is prepared to use the present member of parliament for that purpose.

Mr. Danson: Madam Chairman, I am already working on procedures that will be automatic and will involve the local member, because we all have an interest in showing the federal presence. We represent the federal government and it will be the local member, regardless of his party, who will undertake this work.

Some hon. Members: Hear, hear!

Mr. Danson: May I say, on a point of order, "his or her party", because there are women involved too.

Mr. Dick: I have a couple of short questions to put. The feeling throughout the country of people who live in constituencies consisting of small towns and rural areas is that CMHC funding is not available for their housing needs. Perhaps the Minister of Agriculture can provide the Minister of State for Urban Affairs with information regarding that point. Would the minister like to respond to this attitude of people in towns of less than 10,000?

Mr. Danson: NHA guarantees are applicable. There are some very remote areas where private lenders will not service such loans; we move in as lenders of last resort in such situations. But as regards smaller communities, if we are not being active and are not serving a purpose, I wish the hon. member would provide me or the corporation with the information. However, I do not think that that is often the case.

Mr. Dick: Is it not a fact that CMHC will not assist with mortgages where there are no sewage facilities?

Mr. Danson: Yes, it is not a fact.

Some hon. Members: Oh, oh!

Mr. Danson: The proper answer is that it is not a fact in the sense that we do assist where no sewage facilities are available in the normal trunk services. But we do have a sewage tank policy.

Some hon. Members: Oh, oh!

Mr. Danson: Where the installation meets certain standards, where the size of the lot is adequate and meets local standards, this is the case. We are trying to avoid strip development. This is an area where we might have centralized tanks or lagoons. Aerated lagoons are of particular interest to CMHC. These are not very appetizing subjects, in fact no more than hamburgers to which we referred earlier today, but these are the facts of life. Sewers and sewage treatment are an extremely important part of the operation. We want to make certain that the development is good and we do not want to be overrestrictive, but we have to protect both the public interest and the client's interest, as well as the corporation's interest, in that regard. So this program is available, but we are being careful and we do not want to be overrestrictive either.

Mr. Reynolds: I have a rather long speech, Madam Chairman, but I think I will put my questions to the minister one at a time. They are very short. The first question involves interest on first mortgages. I have had a question on the order paper for a long time asking whether the government has figures as to cost if we were to allow people to deduct interest on their first mortgages from income before calculating taxes.

Mr. Danson: I am sorry, I have not seen the question. I do try to answer those questions as rapidly as possible. This would be more properly a question for the Minister of Finance. It is one of the options at which the minister responsible for housing must look at all times. There are obvious inequities and obvious benefits in the situation. We see it happening in other jurisdictions. All I can say is that I look at this as one of the options with less priority.

Mr. Reynolds: My second question involves the 11 per cent federal sales tax. Again, I have had this question on the order paper for a long time. Can government officials figure out what it would cost the government of Canada if the 11 per cent sales tax was removed? The first and second questions involve the Minister of Finance, but I think this is important policy which should be looked into by the Minister of State for Urban Affairs. Whether or not he agrees with the policy—this is certainly the policy in other countries of the free western world—it is a matter that should be looked into. I wonder if the minister's officials have figured out how much it would cost the country to eliminate the 11 per cent sales tax.

Mr. Danson: On dwellings it would be somewhere in the area of $450 million to $500 million. Taking it off all building materials, the figure would be well in excess of $1 billion which would have to be compensated.

Mr. Reynolds: My final question concerns the 1 per cent premium that is charged on total loans as mortgage insurance which is held in trust and managed by CMHC. I am wondering who that 1 per cent is benefiting. It benefits the mortgage lender, but he already has the mortgage on the building in these days when the value of mortgages on homes has certainly not gone down. So we find we have well in excess of $300 million sitting in trust with CMHC. Since the consumer pays that 1 per cent, it would be a saving right off the top if the minister could eliminate it. The mortgage lender does not need the extra protection since he has the protection of the mortgage, and certainly there is no mortgage in this country that would not pay itself out.

My final point before the minister answers my questions is to congratulate him upon his appointment. I have been sitting here all day listening to the minister answer questions. I wish we had had the same type of co-operation yesterday from the Minister of Transport.

Mr. Danson: Madam Chairman, with reference to mortgage insurance, the 1 per cent charge has been a standard charge which, incidentally, applies to private insurers also. It is profitable for the corporation, but there are losses, I was surprised to hear that. This gives them a sense of security, and it also enables the lender to lower preferred rates. There are advantages that way, too. I might have more to say about this in relation to other matters and warranties at a future date—not too far in the future, I hope.

The Assistant Deputy Chairman: I will recognize the hon. member for Surrey-White Rock, followed by the hon. member for Northumberland-Durham.

● (1650)

Mr. Friesen: Madam Chairman, as the minister is aware, there are several questions that I have been discussing with him. One relates to factory relocation. The minister is aware of the issue in my riding of Surrey-White Rock. I should like to ask him what kind of funding is available under Bill C-27. What kind of budgetary allotment has been made in that bill?

Mr. Danson: There are no specific limits on funds. Of course, it has to be approved by the provinces and submitted to the federal government, but generally speaking we will fund a reasonable program. For the study it is 50-50; that is, 50 per cent between the federal government and the province and/or municipalities who have a great stake in it. Some provinces may accept that or may want to share it with the municipalities. It would vary depending on what costs the municipality had that were not directly related. There are no limits on it, depending on the scope of the program, but there is responsibility on both sides.

Mr. Friesen: If we hurry this up we will have the department "danson" well. Maybe not barn dancing, but "danson". On this side of the House we are not very intellectual, so we will have to try harder.

Some hon. Members: Hear, hear!

Mr. MacFarlane: Honesty is always the best policy.

Mr. Friesen: How would you know? Madam Chairman, there is another problem and that is the administration of CMHC. First, we are all aware that there are several regulations that are imperative if the low dividend program is to work. One is that there is a limitation on

lending; another is that it is supposed to be ascribed to low income families—and each of those words is operative in that term. Officially, there is supposed to be an affidavit of earnings given by the people who will make use of the program.

I recognize that it is difficult to police all the areas that are making use of this program. As a matter of fact, the chairman of CMHC in Vancouver, who is directing his attention to the limited dividend program, said the program is open to abuse by developers and that proper policing would take "an army of inspectors". I suggest this man has adopted the same attrition policy that the Minister of National Defence has been using.

I am concerned because I thought there was an oversight. I investigated on my own and found that the only question being asked was, "Do you have a family?" No question was asked about income. The only restriction was whether or not one had a family. If one had a family, there were no apartments available. And that was supposed to be for low income families. If one did not have a family, they had an apartment available right away, especially on the second and third floors because there were two and three-bedroom apartments there. I asked how this could be, if they were restricting families to the lower floors, and what did people with the two and three-bedroom apartments on the second and third floors do with them, and I was told that they could convert one room into a den. This is housing for low income families in Surrey, where there is a zero vacancy rate. People are waiting for two and three-bedroom apartments, and this sort of thing is going on.

At the time this situation was discovered the former minister said he would initiate an investigation. I recognize that the present minister was not the cause of this problem, but he has responsibility for it now. I should like to ask him whether that investigation has been conducted, and if it has, what was discovered? Then I have some more questions, Madam Chairman.

Mr. Danson: Madam Chairman, I understand an investigation has taken place in relation to rental property. I do not have the full details but I will be pleased to get them for the hon. member. In general, I share the concern that some of the limited dividend projects could be abused. We have a continuing screening and auditing procedure which we are watching very carefully. I know that Mr. Teron, president of CMHC, is also especially concerned. These things are being watched and there will be more regular review procedures on some of the programs we are entering into now. Because they are related to income, virtually all our programs are targeted at people who should not spend more than 22 per cent of their income on shelter. The rates under AHOP and other programs are set to accomplish this. We want to make sure that this provision is adhered to and as people move into different economic brackets there should be a regular review procedure.

It is as fair as possible, but I am sure there will be occasional abuses. When they are brought to our attention we will look into them. You cannot operate a program of $1 million or $1¼ million every year without some mistakes occuring. We will be vigilant, without developing a police force or a procedure that would be inappropriate in our country.

Mr. Friesen: Madam Chairman, I suggest that if we take the former minister's statement as accurate, we will find there are as many as 500 former CMHC officials now working in the private development sector. As a matter of fact, in the particular project that I visited, Imperial Parkside Freeholds Limited, the directors are Donald, Gerald and Ruby Gales. One of the leading appointments is a Mr. Zitzerman of Imperial Developments of Winnipeg, who was formerly with the law firm of the Liberal leader in Manitoba, Mr. Izzy Asper. Another company which this family has is Beacon Hill Lodges. Mr. William Hignett, formerly president of CMHC, is a member of the board of directors of Beacon Hill Lodges.

Madam Chairman, I wonder if the reason there has not been further investigation is the close relationship between CMHC and former members of CMHC who are working in the private sector. I would ask the minister to make a special effort to investigate this question. Maybe we can do something to solve the housing situation, particularly where the senior citizens are concerned.

Mr. Danson: Madam Chairman, I have not counted the number of people who came from the corporation, but I would say that as long as there is nothing improper, it is highly desirable that the expertise built up within the corporation is used in the private sector. By the same token, the expertise in the private sector comes into Central Mortgage and Housing Corporation. The best example of this is the president, Mr. Teron. I welcome the fluidity between the public and the private sector but, of course, if there is nothing wrong. Mr. Hignett, former president of CMHC, is now a consultant with the Ontario government on mortgage programs. This is a development we should welcome but, of course, if there is anything wrong it should be examined.

The Assistant Deputy Chairman: Order, please. Before we go on to another department I should like to recognize the hon. member for Northumberland-Durham.

Mr. Lawrence: Madam Chairman, I have one question for the minister. I apologize for taking him away from housing matters, but I think at least one question should be directed at some of the other duties of his portfolio. Before I, for one, give my consent to passage of his estimates I should like to have his views on the record. We are entering into what might be a new round of federal-provincial conferences respecting the constitution, and I should like to know the minister's views on the representation of urban areas at such conferences.

Mr. Danson: Madam Chairman, I am not quite sure how to answer that question. I am not trying to evade it. I believe this area is the prime responsibility of the Prime Minister. I pointed out in my opening remarks that I put emphasis on the division of responsibility, and certainly in dealings with the provinces under such circumstances the Prime Minister would take the urban impact into consideration. I wish I could give a better answer, but it is not my area of responsibility.

● (1700)

We cannot forget that the provinces, too, are involved; they have their area of jurisdiction to protect. Indeed, I

should be presumptuous if I said anything without discussing it first with the provinces, with whom I work closely. Actually, I am almost late, in leaving for a meeting in Sudbury with the hon. member's former colleagues in the provincial cabinet. There is to be a trilevel meeting.

[*Translation*]

The Assistant Deputy Chairman: It being five o'clock, it is my duty to interrupt the proceedings in accordance with an order made this day and to proceed with the consideration of the National Defence estimates.

[*English*]

These estimates are to be found on pages 15 and 16 of the bill.

On schedule A—*Department of National Defence*

Mr. Clark (Rocky Mountain): On a point of order, Madam Chairman, at what hour is consideration of the Department of National Defence estimates to end?

Mr. Lefebvre: Madam Chairman, this is all included in the agreement announced by the President of the Privy Council.

Mr. Baker (Grenville-Carleton): On the same point of order, Madam Chairman, I understand that consideration of these estimates is to end at ten o'clock. Is that correct?

Mr. Lefebvre: Eleven o'clock.

Mr. Baker (Grenville-Carleton): I understood the National Defence estimates will be considered until ten o'clock tonight, after which the committee will consider the next item until the agreed time of adjournment. Is that correct?

Mr. Lefebvre: That is correct.

Mr. Richardson: Madam Chairman, I welcome this opportunity to discuss the estimates of the Department of National Defence for 1974-75 and to discuss with members of the committee the outstanding service provided by the Canadian armed forces. It might be helpful if I outlined the over-all financial position for the current year now under review. I also want to share with members of the committee my thoughts about the financing of the defence program.

First, may I emphasize that in dollar terms the defence budget has not been cut. It has been increased substantially. The blue book of estimates will show that we were to spend this year, the year under consideration, $2,360 million, or some $144 million more than last year. That $144 million represents approximately the 7 per cent increase which was approved in the financing formula we started on last year.

In addition—this is even more significant—we expect before the end of this year to have approval from the government to spend another $140 million on top of that 7 per cent increase. This means that the defence budget for the current year will be more than one quarter of a billion dollars, almost $300 million, greater than last year. It must be evident, therefore, that the defence budget has not been cut.

[Mr. Danson.]

We in National Defence are aware, as are all other departments and all citizens, that rapidly rising prices are a major problem. We saw, when planning early in the fiscal year, that if we had adopted the over-all program, if we had got everything we wanted, we would have been another $100 million over even an expanded budget, one that was up by more than a quarter of a billion dollars. In order to reduce expenditures and prevent that almost uncontrolled expansion of expenditure, we took the steps I shall describe.

Essentially, we reduced expenses in four areas. First, by natural attrition the strength of the force in numbers went from about 82,000 to about 79,000. Through that attrition process we achieved an expenditure saving of more than $50 million. Second, we made reductions in operations, that is, in areas such as fuel consumption and travel. The reduction in operations for the current year represents a saving of $12 million. Third, we stretched out the procurement process and in that way, while trying to maintain all essential capital requirements, cut expenditures by $23 million. Finally and fourthly, we took a hard look at the purchasing program. As hon. members know, we have a very big inventory. We found that by better inventory management, by not having more then we need on our shelves and by introducing a new system, we were actually able to save this year $13 million.

These figures add up to about $98 million, or approximately the $100 million by which we would have been over even an expanded budget if we had not taken these steps. These reduced expenditures have enabled us to stay within the budget, even though it is up almost $300 million. We have stayed within a budget which is not out of control and which is reasonable for the current year.

The strength of the force has declined, as I said, to 79,000 personnel. With that number we cannot expect to perform the same tasks as we could perform with a larger force. Therefore, it will be necessary for us to balance the tasks and commitments of the armed forces with the smaller numbers available to perform those tasks.

I now want to speak about the important work the Canadian armed forces have been asked to do by the government. I think that when we consider all these tasks and commitments we will realize that little we will discuss in this debate on the estimates is more important to the armed forces and to Canada than the issues involved in the four central tasks of the Canadian armed forces.

● (1710)

The first task, and the one to which we give the highest priority, is nothing less than the defence of our sovereignty, the maintenance of Canadian independence. I have spoken of this in some detail on other occasions and I do not intend to elaborate on it at this point. Everyone will agree that this role is vital.

The second task is to participate with the United States in the defence of North America. In this connection we think of the very important and close relationship we have with the great neighbour who shares this continent with us. This is a most important subject and one which really goes beyond the role of the forces themselves.

The third task of the armed forces is to work with our NATO partners to carry forward the concept of collective

security and to participate in the collective defence of the free world. When we conceive of our various relationships with Europe, can we think of another which is closer or more important than the fact that more than 5,000 members of the Canadian armed forces live in western Europe—their families are with them; their children go to school there? That is a link of measureless importance to our relationship with those countries.

The fourth great task is our new and vital role in trying to help achieve international stability, the role called peacekeeping, one in which Canada has demonstrated not only leadership moral but very practical leadership to the world. Those are our four great tasks, and when hon. members stop to think of them they will realize they are among the most important issues which can come before this committee.

I want to point out that when we are thinking about defence policy, when we are thinking of the taxpayers' money being spent on defence, there is very much more than the more apparent benefit to be considered. Indeed, the taxpayer gets double value for money spent on national defence—sometimes more than double value. There are other benefits; perhaps they could be described as hidden benefits, but they are nevertheless very real. I need hardly remind the committee of the great economic benefit which results from the payroll to communities directly affected. We only have to try to close, not a base but a small station somewhere and immediately we begin to hear about the great impact this would have on the economy of the region. We do not hear so much when everything is going along normally, but when we try to close a base we soon find out the benefit which it has brought to the community. But more important than the payroll or even the economic benefit is the benefit to industry which accrues from the expenditure of tax dollars for defence. I refer to the new technology which is being developed and to the jobs which are provided in advanced technology particularly in the electronics industry. This is of great significance to Canada.

There is yet another area, one which is not so well recognized by the public. A significant portion of the tax dollars used for defence are used to meet the cost of training. We in National Defence are the largest vocational training and educational institute in Canada. We have some 90 trades, and today there are literally tens of thousands of men and women in Canada who are doing better for themselves and for their country as a result of the training they received because we spent National Defence dollars on their training. This is a hidden benefit which should be remembered when considering defence expenditures.

I could go on to give a long list of other benefits which are sometimes overlooked, but I shall not go into detail. All hon. members are aware of our youth program, the cadets. They are aware of our work in opening the north, in establishing airports there. They know that we are involved in the protection of the environment, that we have a responsibility not only for identifying oil slicks but for clearing them up when they occur. For these tasks, we have both the expertise and the equipment.

Hon. members are aware of the support we are given—perhaps not as much as some who sit across the way would like—in identifying foreign vessels which have entered our fishing waters. These are all ways in which the defence dollar is spent for the benefit of Canada. Canadian forces are involved in assisting at major sporting events such as the PanAmerican Games and the Olympic Games. Then there are ceremonial events. Some of these go almost unnoticed, but they are wanted by the Canadian people. Search and rescue is another example.

I could go on to list other benefits Canada is receiving when we spend defence dollars. However, what I want to say is that the real question, the simple question facing us today in National Defence is this: how do we continue to perform those four important tasks and provide the other benefits I have described in days when the cost of everything we require is rising rapidly, and still manage to stay within a budget which does not reach uncontrolled limits?

There are some answers which will have to be considered by this committee and by my colleagues in cabinet. One answer is, of course, to provide a great deal more money. But there are limits. Important as it is that we should have more money, there are clearly limits in days when we want to restrain our expenditure. The answer of granting unlimited funds is not possible in today's world. The other thing to do is to balance our tasks with the tax dollars we can obtain.

● (1720)

Whatever amount of money we finally spend in the future, one thing is certain: we will have to change the ratio between our expenditures for personnel, operations and capital. We will have to increase the percentage spent for capital and new equipment and for operations. At the present time, as I believe most hon. members know, we are spending 67 per cent of our budget for pay and allowances, 22 per cent for operations and 11 per cent for new equipment.

If I may conclude very briefly, Madam Chairman, it is against this background that I believe the estimates should be considered this evening. I have simply tried to point out to the committee that the defence budget has not been cut in dollar terms, but substantially increased. The four central tasks of national defence are important to Canada and all of us here are involved. I look for hon. members' help in deciding what to do with these really big issues—big issues, not just for defence but for all of us in Canada. There are other benefits accruing to the taxpayer that must be considered.

Mr. McKinnon: Madam Chairman, I should first like to say a word about the last two days in this House and the benefits of the committee of supply. I have been here for about two years and I have heard a great deal of discussion about the committee of supply and what a boon it was to the House in keeping the power of debate and decision-making within the House. I had never realized how much cabinet ministers are protected during the question period by the rules and customs applicable to that period. Last night was quite a change for ministers from the usual question period, with the routine of one question, two supplementaries and then a question from a different member to a different minister. I suggest that those who believe parliament to be the supreme authority in the land now realize more than ever just what the Liberals took

away from parliament by the rule changes in 1968 which they enforced by the use of closure.

I listened with a great deal of interest to the presentation of the Minister of National Defence. Since I was not in the House on October 15, 1974, it was very gracious of the minister to repeat tonight what he said then. I was hoping that he was going to answer the important question that is before all Canadians now, and that is: can the armed forces cope with its current roles and tasks? There is a great divergence of opinion on this subject.

I knew the minister was going to say, before he said it, that he would increase expenditure on capital equipment. I do not want to say that the minister has deliberately misled the House or the nation. I did not say that he was doing it deliberately last October when he said that there was a 7 per cent increase in his budget, and that this annual increase would allow for a substantial increase in capital expenditure. I did not say that he was deliberately misleading the House the other day, when he said, "We will use the payroll which would have been used to pay someone not now a member of the armed forces to buy equipment." I do not know whether he was deliberately misleading the House when he said, "What we must aim at is an elite force made up of well equipped and well motivated personnel."

To illustrate my cynicism and the cynicism of the forces themselves to this kind of statement, I should like to go over a few previous statements by Liberal ministers in this regard. I quote from the white paper on defence of 1964:

> The total savings to be effected as a result of such reductions will make available funds for capital equipment purchases, and eventually make possible more equitable distribution of the defence dollar between equipment and housekeeping costs.

Does that sound familiar, Madam Chairman? Again, a Liberal Minister of National Defence, on May 8, 1964 said:

> This reduction ... will assist us in the difficult task of getting our defence expenditures back in balance. We must increase the proportion of funds available for new equipment if we are to have a viable and effective force in the years to come. The present proportion of about 14 per cent for equipment is unacceptably low and must be increased to something in the order of 25 per cent in the years ahead. Even this proportion is not high compared to other forces.

I think the minister said our present proportion is about 11 per cent, though I think he has "upped" it by about .8 per cent, according to the reference I have. Again, in July of 1964 a Liberal minister promised as follows:

> We are going to make whatever savings we can in other areas, in logistics, training and area commands so we will have the maximum savings available for the purchase of new equipment for our armed forces.

Then in February, 1966, this was said by a Liberal cabinet minister:

> Program changes had to go through the whole system and the amount of time consumed was so great that the project momentum was often lost and the initial Canadian advantage overtaken by development projects in other countries.
>
> The classic example is the armoured personnel carrier, the Bobcat V.C.

Then he went on to say, believe it or not:

> An example of the improved flexibility is in respect to the interesting development of a full scale prototype of an ocean-going hydrofoil vessel.

[Mr. McKinnon.]

What an improvement! Then may I quote another authority, who in this House said in 1966:

> We have heard statements emanating from the minister's office to the effect ... that the savings to be derived from the new policy can be devoted to the acquisition, as the minister likes to put it, of military hardware. On the other hand, having listened to members of the opposition such as the hon. member for Calgary North—

That was the Hon. D. S. Harkness, a former minister.

> —it becomes clear that the government has not in fact succeeded in diverting any of these rumoured savings into the acquisition of better and more modern weaponry.
>
> I am of the opinion that the public relations efforts that went into this ... have been very expensive and I am not sure that this has not succeeded in giving the people of this country ... an entirely misleading and false impression of the reality of the situation. It seems that we are looking at a hoax of epic proportions because it does not appear possible that Canada's defence capability has been improved—

That was said by Mr. Ed Schreyer. The following quotation sounds exactly like the one in the statement of the minister tonight. This is what a former Liberal minister said in 1967:

> One of the stated intentions of the savings that could be made was to use those savings for new equipment for the armed forces. No one regrets more than I do that last year we were not able to increase the amount of money being spent ... I hope that there will be a very substantial improvement in the coming fiscal year—

A question was put on the order paper in October, 1967, by the hon. member for Brandon-Souris. He asked:

> In view of the information revealed by an answer tabled in this House last Monday, which indicated that Canada's armed forces have suffered a reduction in personnel from 123,000 to 105,000 over the past three years, could the minister indicate whether this process of attrition is to continue indefinitely or whether there is an absolute floor; and if so, what that floor is?

This was the answer by the Hon. Léo Cadieux, the then minister of national defence:

> This is a very broad question. I prefer to answer by saying I hope we can have adequate forces to meet our commitments.

Then on March 1, 1968, the same minister said this:

> We have fixed the floor at 100,000 and I hope we can stay there. This is what I consider a minimum to meet the commitments that we have.

There has not been one commitment involving more than 300 to 400 men lifted from the armed forces from that day to this. Then, again, he said in June of 1969:

> We have concluded that a regular force of 80,000 to 85,000 will be needed to meet Canada's defence requirements ... Basic to our planning was a firm decision to concentrate wherever possible, on reducing administrative and support activities, to provide us with a higher ratio of operational to non-operational forces than in the past.

Then on October 10, 1973, the present minister had this to say:

> This annual increase will allow for substantial increases in capital expenditure, particularly for greatly needed new equipment.

● (1730)

After 10 years of Liberal ministers cutting back personnel and buying new equipment the minister last October found himself repeating the same old song, that at the present time National Defence is spending approximately 11 per cent of its budget for new equipment and facilities. He said that under the modernization and renewal program almost 20 per cent of the total budget would be spent for new equipment by the end of the 1970's. He now announces that this plan, which was supposed to last until

the end of the 70's, is now as dead as the dodo. The minister stated that the new formula would solve this problem which has plagued the department for so many years, that is, too low a percentage of the defence budget being used for capital equipment.

On October 15 of this year the minister said:

> The only way we can improve the military capability and the conditions of the present members of the armed forces is to reduce the number of recruits taken in and put on the payroll. To state the equation in the simplest possible way—we are going to use the payroll that would have been used to pay someone not now a member of the armed forces to buy equipment and improve conditions for the people now in the armed forces.

It is no wonder the minister is unwittingly deceiving the people of Canada. The record is there. This is the same speech made once a year for about 10 years by Liberal ministers of national defence, yet the result has been exactly the same in every year. A person could look through the estimates here and spend hours talking about various items. Let me try to get two or three questions answered by the minister.

The present situation is, in my mind, so serious it has led to hitherto unheard of protests from senior serving officers. General Garton said the other day that we will have to reduce instruction and flying time. Admiral Boyle said that he cannot carry out our roles with fewer men and will need to cancel training exercises.

General Dextraze said in a news letter in September that he knew that rumours have been circulating to the effect that we are about to have our staff reduced again, but these rumours are untrue. It does not seem to me that the Chief of the Defence Staff would put his signature to such a statement to counter the rumour if he had not previously consulted with the Minister of National Defence. Will the minister tell us what consultation took place in September before the Chief of Defence Staff wrote that letter denying any cutback in personnel?

Mr. Richardson: Madam Chairman, I should first of all like to say to the hon. member for Victoria that in his recounting of the history of statements of past ministers of defence he has not really been stating the facts as they appear in the blue books. I would draw his attention to what we are studying, that is, pages 15-6 and 15-7 of the estimates, where he will see that the expenditures for capital equipment increased from $172 million in the year 1972-73, to $228 million in the year 1973-74, and up to $270 million for 1974-75, after the economies mentioned previously. This constitutes an increase of more than $100 million in that two year period.

An hon. Member: What did you buy?

Mr. Richardson: We could give you the full list. We have been moving in the direction I have stated; in my judgment perhaps not moving as rapidly as we would like, but certainly moving in that direction.

I was looking at these figures when the hon. member referred to a statement by the chief of staff. I would appreciate it if the hon. member would ask the question again if he wishes me to comment on it.

Mr. McKinnon: Madam Chairman, I hesitate to ask the question again because the minister has used up three or four of my allotted minutes not answering my question. I was curious to know whether there was any consultation between the Minister of National Defence and the Chief of the Defence Staff before he issued the statement in September denying the rumour that the forces were to be cut down.

Mr. Richardson: I assume that the hon. member is referring to the personal message the chief of staff wrote to the armed forces. He writes in a very personal way, and naturally what he says reflects conversations he has had with me. As I have said here in this House and in committee, I am in complete agreement with the chief of staff on the fact that if the number of personnel is to be reduced the tasks must be reduced, and that is what the chief of staff said in that letter.

Mr. McKinnon: I take it there was consultation between the minister and the Chief of Defence Staff, and the minister agreed to the sending out of that message which gave the impression that the forces were not to be cut, yet the minister is telling us that there are defence cuts, and that the force is to be reduced by the process of attrition. The minister has put the Chief of the Defence Staff in an absolutely impossible situation. I do not know whether the minister believed, at the time he was consulting with the Chief of Defence Staff, that there were to be no cuts in personnel, but if he did he must then have been misled by somebody else, possibly the cabinet. I should like to have more detail on this if the minister can give it.

Mr. Richardson: There are two points involved here. First, at the time of that letter in September, the strength of the armed forces was at 79,000 and, secondly, that type of letter is not one in respect of which the chief of staff would consult with me regarding every sentence and paragraph. I will say, however, that he certainly has reflected the policy of the department as I have outlined it.

Mr. McKinnon: Then I can only assume that the betrayal goes one level higher, and that the minister has been suffering under the delusion that he was going to get funds which the cabinet is not now willing to give. My time is just about up, and I would hate to sit down without trying to be a little more constructive about defence than one could possibly be in this milieu.

I have been getting more concerned each year about the way the money is going out from the minister's office and department, and particularly the small amount being apportioned to the purchase of equipment. What is really needed is for the minister to decide on a plan which is not based on dollars, because under this Liberal administration the dollar is the least reliable measure of any, with the value of the dollar going down each year. Anyone who suggests that last year the 7 per cent increase in the budget would look after things simply does not know the facts of life.

The minister must come up with a plan based on how big a force he wants, how he wants it armed and equipped, and then if it is based on five years he should say to his masters: "If you do not agree to this, fire me. If you do agree, don't welsh on it later".

Mr. Brewin: Madam Speaker, there is in our view nothing sacrosanct about military spending as such. It is often

highly inflationary. Indeed, the immense U.S. military spending in Viet Nam was probably responsible, as much as anything else, for the worldwide inflation which has caused and is causing such tremendous difficulties for many Canadians as well as others.

Let us not forget that a measure of the insanity of the world today is the expenditure of over $2 billion on military preparations at a time when we cannot find the resources to deal with destitution and starvation throughout the world.

No one need apologize for trying to cut down, or at least hold the line on defence expenditures. I am somewhat surprised to find there are members of this House who call for the reduction of government expenditure when they are unready, apparently, to reduce defence expenditures and, indeed, urge that this sort of expenditure be increased. This does not mean that we do not need armed services. Nor does it mean that we should try to meet the inflationary pressures by reducing the payroll of the armed forces, or by failing to maintain up-to-date and efficient equipment. To do either of these things would be false economics. It would mean that the armed forces of Canada could not perform adequately the roles assigned to them.

● (1740)

The dilemma of the minister, which he explained in his speech, is caused by the fact that inflation cuts down the purchasing power of the defence budget or, as it is called, the defence dollar. I think the minister knows there is only one way to hold the defence budget in line and that is by cutting out any roles or other tasks assigned to the other armed services which have become obsolete or unnecessary. This seems to be one of the most difficult things for any defence organization to do. There seems to be the feeling that once a system is established it must go on forever.

There is one obvious place where there is need for a reduction in our role. I refer to NORAD, the North American Air Defence Command. This joint command with the United States was set up, I emphasize, for one purpose. It was supposed to defend North America against an attack by manned bombers, presumably coming from the USSR, by means of interceptors and missiles so that when the bombers entered American air space they could be cut down.

This particular form of defence became obsolete even before the treaty came into effect. What made it obsolete was the development of the early warning lines and the advent of the missile age. A Russian bomber striking at North America would take at least two or three hours to reach its targets in North America. Its main target would probably be the American strategic air forces, and possibly also the population centres. The early warning lines would give ample time for the strategic air bombers to be off the ground, and protective measures could be taken. A massive missile retaliatory blow could be struck at the invader's homeland.

As General Simmonds told the Defence Committee more than ten years ago, the Russians would have to be crazy to use manned bombers to attack North America in the missile age. He hastened to add that they were not crazy. It is now abundantly clear to anyone who studies the subject that there is no defence against the ICBM except the mutual deterrent provided by the invulnerable strategic missile power possessed by both super-powers. This is clear to myself and members of my party.

Since 1962 at least we have consistently asked that we negotiate our way out of NORAD. The cost of NORAD is difficult to assess in the way the estimates are arranged. However, I have estimated that at least $100 million a year has been spent on that particular obsolete defence system. I am aware that if we did not have NORAD to police our air space we might have a different expenditure to replace it, but we have spent $1 billion in ten years on a form of active air defence against manned bombers.

It is ironic that when we in this party tried to get some interest in this matter from either of the older parties or the press, and when we proposed to cut out a wasteful, obsolete and inflation-producing role year after year, we received only condescending smiles in reply to our simplicity in making such a suggestion.

It used to be said that it was necessary to maintain NORAD because otherwise the United States would be offended. I do not know what could be said about the theory that we should continue a billion dollar expenditure on a useless project because the Americans would be offended. Nowadays it is absolutely ridiculous to suggest that the Americans could possibly be offended, because the Secretary of Defence of the United States in presenting his 1975 budget before the armed forces committee said this:

> We will decrease our active air defence of the continental United States, reducing the number of air defence fighter squadrons and SAM batteries. Without an effective anti-missile defence, precluded to both the United States and the USSR by the ICBM Treaty of 1972, a defence against Soviet bombers is of little practical value.

He said exactly what I said in slightly different language. I have never been able to understand why we should continue spending this money in this way.

It is not a good answer when some people finally after ten years grasp the point that this is a wasteful way of doing things and that this active air defence makes no sense, then in typical fashion invent some new role that can be carried out. They decide to spend the money anyway. They say they will find something new for NORAD to do.

I appreciate the fact that we must be prepared to act in the defence of the sovereignty of Canada's air space and territorial waters against incidental incursions. As I say, in that particular field there is no reason that we should not co-operate with the United States. We are part of the same continent. It makes sense that we should do so. However, in order to do that there is no need whatever for the joint control at Colorado Springs. We can look after that job ourselves without spending the same amount we have been spending on this other role.

Indeed if we wanted, we could expand and defend every square inch of Canada, but that is not what is required. What we require is to have sufficient interceptors and other equipment available to deal with that, in the natural course of things, would be only a more or less incidental incursion of our sovereignty.

We talk about co-operation with the United States. We seem to forget that it was the United States Secretary of

Defence who told us in plain words that this form of defence is no longer practical. I should like the minister to grasp the nettle now and, instead of being slightly evasive, frankly say that this form of defence is not good and we will not proceed with it. He should say that there will be some expenditures for the defence of our sovereignty, and he should mention what he believes is necessary so that we can examine that on its own merit, without pretending that it has something to do with NORAD.

So far as NORAD is concerned I think there would be a sigh of relief by the Canadian people if we showed the gumption to get out of something that has made no sense at any time, or at least not for the past ten years or so.

There is one other matter I should like to raise. I know others wish to speak and I shall therefore be brief. This subject was raised by my colleague, the hon. member for Nickel Belt, in a question a day or so ago. I want to ask the minister about a certain report. I have it from a magazine called *Latin America* of October 18, 1974, to the effect that a Canadian mission from the Department of Supply and Services and the Department of National Defence, headed by Colonel Basil Collett went, to Brazil in order to look over the purchase of an armoured car which would replace what I understand to be completely worn out armoured cars that we have now. I would like to know whether they want to do that and whether the figures are in the neighbourhood of $200 million or $300 million.

● (1750)

I should like to ask the minister whether he has consulted the Secretary of State for External Affairs on the impact of such a purchase. Is he aware that Brazil is governed by a military dictatorship, and that many other countries in South America would view such purchases with very grave apprehension? We cannot do these things in one department without taking account of what should be happening in another. I think that Canadians are aware of this because this magazine tells me that Colonel Collett was instructed to maintain a non military profile during his tour of Brazil. I do not know whether or not that is so, but there will be strong political opposition at home and among our NATO allied, as well as in South America, to this sort of purchase.

I hope that the minister will be able to tell us that that will not be the source. How are we going to pay for them? Will we pay bolstering up the present regime in Brazil with other military supplies? That is what Brazil's neighbours in South America feel. I ask the minister to tell us whether these facts are reasonably outlined. I can give him the name of the company with which we are supposed to be dealing, and I could give him more details if he is interested in seeing them. But I would like to hear how far we have proceeded toward this particular purchase, and I want to suggeest to him that it has political implications that should be examined before any such purchase is concluded.

Mr. Richardson: Madam Chairman, let me say in answer to the last question raised that this is just a matter of what we call sourcing, or finding the areas where we might be able to acquire the kind of equipment that we need, and to make comparisons with what is available in other countries. The negotiations in this respect are not far advanced, and are not at a stage at which it would be necessary for me to consult the Secretary of State for External Affairs.

Now, if I may, I should like to comment briefly on the earlier remarks of the hon. member for Greenwood because he has expressed his views to me very clearly a number of times on NORAD. I would like to suggest to him that we are not in as fixed a situation as he implies—we do make changes from time to time. We have closed down three radar stations this year that were part of the NORAD set up. We have reduced the number of our CF 100's to nine. We are certainly following closely the changes that the Americans are making in their reduction of interceptor aircraft. We are quite capable of making adjustments in NORAD. As I have said before, we do not have to make changes in the agreement because, as the hon. member knows, the NORAD agreement does not specify any equipment. I can assure him that we have an open mind, and we pay very careful attention to his views.

Mr. Kempling: Madam Chairman, it is hardly worth while for me even to take a deep breath because it is almost six o'clock. I have some remarks that I would like to make through you to the minister and, after I make them I should like to put some questions to him as well. I think that at this time I will spin it out until six o'clock, if I may, because I do not think it is worth starting now and then trying to break off my remarks.

Generally speaking, I sympathize very much with the problem the minister has with his budget. I support a strong military force in this country, a well equipped and well trained military force, and I am in favour of seeing them have the best possible equipment. I hope that we will be able to maintain a force in the order of 90,000 to 100,000—not the much scaled down force we have now.

I am afraid that if this scaling down continues, as my colleague has illustrated for us, we will arrive at a point in time, five, six or ten years from today, when we will be looking at a force of perhaps 35,000 or 40,000. I recognize that there are people in this country who would like to see our armed forces reduced to nothing more than a national police force, but I am not one who supports that idea. So I can tell the minister that if he is in favour of improving the position of our armed forces, of equipping them adequately to do a proper job and of maintaining a good strong presence, then I will support him.

May I call it six o'clock.

The Assistant Deputy Chairman: It being six o'clock I do now leave the chair until eight o'clock.

At six o'clock the committee took recess.

[*Translation*]

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order, please. When the House rose at six o'clock, the committee was considering Bill C-31, more specifically the votes for the Department of National Defence which appear on page 16 of the bill.

Estimates

[*English*]

Mr. Kempling: Mr. Chairman, I had just started my remarks about five minutes to six so I have some time left. I was saying to the minister, through you, that I am a very great supporter of the armed forces and I hope the plan for the future would be to increase their number rather than reduce it. I would like to see the level at 90,000 or 100,000, rather than see it cut to about 70,000 as is the suggestion now. If we keep changing ministers of national defence as we have done in the last few years, I suppose in a few years time we will see a different minister here telling us that we can get along with 50,000 but that they will be better fed, better clothed, better paid and they will still do the job we want.

I am very disturbed at the prospect of a cut in the armed forces, and I do not accept that we have actually increased the dollar amount of the defence budget. The fact is that its share of the GNP has gone down considerably between 1968 and 1974. In the 1968-69 budget it was allocated 16.4 per cent, and today it gets 11 per cent of the federal budget. Inflation is eating away our armed forces, and their equipment in particular in a very disastrous way.

In the last four or five years we have had four ministers of national defence and, as one of my colleagues mentioned already, each has come to us with the same story. I get pretty upset about the attitude toward the portfolio of national defence and its position in the cabinet. I am not one who likes to take personal shots at individuals but I feel that the national defence portfolio is a sort of catch-all—a place where they drop people when they do not know where else to put them. This is the inference we have to draw in light of so many changes over the years.

Surely if there is a good minister in the portfolio they should leave him there and let him carry their plans through. We will have one minister who will expound a theory or lay down some procedure, and then another one will come along and say it cannot be done. This appears to be a sort of game, but a dangerous one.

If we should continue with the present defence policy I am afraid that in an emergency, national or international, we could not respond adequately. When I see that we have destroyers but no crews, that we have tanks that we cannibalize to keep other tanks going, that we have aircraft that we cannibalize for other aircraft, and obsolete motor vehicles procured in 1952, I must conclude that we are in pretty bad shape. My colleague says some of the motor vehicles could be sold as antiques, and perhaps if we keep them for another 20 years they could. The danger is that the longer we delay procurement the more it is going to cost. I am sure the minister realizes this.

When the minister says that we are going to cut this capital expenditure and that capital expenditure and thus will be able to cut $100 million or so out of our estimates, he is really saying that these aircraft, trucks, tanks and naval vessels that we are going to procure some time in the future will cost maybe 50 per cent more than they would today.

The other matter that concerns me is our northern sovereignty. I have read a great deal about this, and a lot of passionate words have been spoken on the subject. I have read the views of the United States. I wonder what is happening when I see that they have commissioned two of the largest icebreakers in the world, larger than anything afloat today even in Russia or Finland. These are certainly not going to be used in the Caribbean; they are going to be used in the Arctic. Do we have the capability of defending our northern sovereignty? I do not think so. I do not think we have either the equipment or the personnel to do very much about it.

[The Chairman.]

I have about five minutes left, Mr. Chairman, and I should like to ask the minister a few short questions and I would appreciate short answers.

First, what have we done regarding the replacement of motor vehicles? Are we going to let contracts, have they been let, and for how many vehicles?

• (2010)

Mr. Richardson: Mr. Chairman, we have started to replace our vehicles, having purchased about 500 new trucks. We need many more. We are negotiating for the purchase of more than 2,000 1¼ ton trucks. Our truck procurement program is just starting and is not far advanced.

May I comment about the hon. member's statement. He said that the portfolio of national defence was a catch-all. I think those were his words. May I reply?

Mr. Kempling: I meant nothing personal.

Mr. Richardson: I realize that. Because many dedicated men and women serve in the armed forces, and because I am responsible for spending more than 10 per cent of the federal budget my portfolio is—and I am not saying this because I am the minister—one of the most important portfolios in the government. On behalf of the armed forces that should be recorded.

Mr. Kempling: I accept that. I did not mean anything personal. I made the observation because one minister comes in, lasts about 18 months, and is replaced by another, and so on. This, I think, is a downgrading of the armed forces. I made my comment in all sincerity, without wishing to make a personal comment about the minister himself.

I am concerned about the procurement program for the 1¼ ton vehicles, but I am also concerned about tracked vehicles. How are negotiations for these 1¼ ton vehicles proceeding? How close are we to procurement? Where do we stand with regard to the tracked over-the-snow vehicle so desperately required in the north?

Mr. Richardson: Mr. Chairman, we have conducted negociations in both of these areas for many months, and those involving tracked and over-the-snow vehicles are close to completion. As soon as we resolve some money questions which, as you know, are under discussion, we hope to go ahead with both programs.

Mr. Kempling: Will the government procure these in 1975 or 1976? When will we have some of these vehicles in our possession?

Mr. Richardson: I hope to have them early in 1975. That is my intention.

Mr. Kempling: Mr. Chairman, does the Department of National Defence intend to expand the role of our armed forces in northern Canada? I am particularly concerned about the north in view of the remarks the minister made about the environment, roadbuilding, and our position in northern Canada. I assume that the plan to procure tracked vehicles is part of an over-all plan to increase our presence in northern Canada. Would the minister comment on that?

The minister spoke about cutting $100 million from our defence budget. Last week, according to *Newsweek* magazine, we lent $100 million to Iran. That country, in turn, bought from the United States tremendous quantities of military hardware. It spent almost twice as much as we spent on our national defence budget. The people of Canada would have been served better if we had not lent Iran $100 million at 7 per cent but kept the money for our defence budget. That was only a comment. Would the minister care to speak on the northern aspect I mentioned earlier?

Mr. Richardson: Mr. Chairman, as I said in the statement I made at the beginning of our examination of my estimates, one of the important roles for the Canadian armed forces is that of participating in the opening of the Canadian north. We are proceeding with what we call the new Viking program, under which 125 men go north, live, and work under northern conditions, and test equipment. Within the last year we opened the Arctic training centre at Churchill, Manitoba, and our forces will train there regularly from now onwards. May I mention that ships of the fleet sailed into Hudson Bay this summer for the first time on training exercises, demonstrating that Canada is not bounded by two oceans but by the three oceans. We are doing a number of things, as I have mentioned, to make our presence felt in the north, and this, I believe, will increase rather than diminish as we proceed.

Mr. Anderson: Mr. Chairman, it is a great pleasure to address this august assembly for the first time.

Some hon. Members: Hear, hear!

Mr. Anderson: Defence policy has been much criticized in the past. People say that we spend too much, that we have not spent enough, that our forces are underequipped or they are overequipped, that we should increase our commitment to NORAD, and that we should get out of NORAD.

The minister said that in these inflationary times he will try to keep his budget within reason, because the government is committed to showing restraint in its dealings; otherwise, how can it expect the Canadian people to follow its example if it throws money away as if money were going out of style?

Let me reminisce about defence policy during the time when the Liberals were not in power. It interests me, because I was in the Royal Canadian Air Force at the time.

Some hon. Members: Hear, hear!

Mr. Anderson: During the period 1956-1962 we needed a new long-range patrol aircraft. Air Defence Command needed a new high performance aircraft. That new aircraft was on the drawing board. It was known as the Arrow.

Some hon. Members: Oh, oh!

Mr. Anderson: That piece of new equipment was killed deader than a dormouse by those who now sit across the floor from me. There was a need for new equipment then also.

The matter of personnel, discussed in great detail recently, also concerned us then. In 1962 three permanent commissions were granted in Air Defence Command—Mr.Chairman, that was three in all Canada! You may think morale is low now. Let me say that morale today is pretty good when compared with what it was during that period.

● (2020)

During that period people who had been trained as air crew were put on flying duties for a three year term and then transferred automatically to ground duties—this after many thousands of dollars had been spent on their training. That practice has now been changed.

Then again, during the last real crisis we experienced, the Cuban missile crisis, the airforce was using an aircraft the C101, which had been accepted from the United States to replace the Arrow. It was an aircraft in no way comparable to the Arrow. However, at that time we did not possess a single effective weapon in Canada. If bombers came over Canada there was no way of striking at them since National Defence policy had failed to provide us with the necessary weapons.

There has been talk regarding NORAD. Certain hon. members feel we should leave this organization and that Canada should not defend its territory. I say we have a duty to take part in the defence of Canadian sovereignty, regardless of the cost of that commitment. The theory appears to be that there is no menace from Russian aircraft at the present time. I would be happy to believe this if I saw evidence that the Russians were dismantling their bombing fleet, but since this is not the case, and since their bombers are carrying atomic weapons, I think there must be a threat from that direction.

It was not missiles which delivered the bombs in Korea or in Viet Nam; it was conventional bombers. For this reasons I shall support NORAD until I see that the other side is reducing its own force. It seems odd that we should have to stand here and defend our position. Why should we have to feel guilty about protecting our country? We think it is right, and that we have a duty to maintain these defences.

There has been some debate regarding our membership in NATO. I think that over the years NATO has been the deterrent which has kept Europe free.

Some hon. Members: Tell the Prime Minister!

Mr. Anderson: As long as I have some say in it we shall continue our present posture toward NATO.

With regard to our commitments as a peacekeeping force, I believe the world recognizes the contribution Canada has made. We are in a special position as a nation

whose forces can operate on the soil of other nations because we do not seek to increase our territory; we are not a warring nation. The respect which we enjoy among other countries in the world bodes well for Canada.

The primary objective of our defence policy must be the maintenance of Canadian sovereignty. There is no disagreement about that. As a nation of 22 million people we cannot compete with the United States or with the U.S.S.R. in defence research and multi-billion dollar defence projects. Modern armaments are expensive, and by the time new projects leave the drawing board they are obsolete. At the present time our defence posture requires new ships, new planes and other new military equipment, but we cannot get all these things at once, especially during a period of inflation when we must all show restraint. I support the position taken by the minister when he says we are trying to live within our budget and restrain our spending.

Mr. Brewin: Would the hon. member answer a question?

Mr. Anderson: By all means.

Mr. Brewin: May I congratulate the hon. member who has just spoken, if this was his first speech in this chamber, as I understand it to have been. It was delivered with great capability. My question is this—

Mr. McKinnon: Mr. Chairman, I hesitate to raise a point of order in the middle of a question by the hon. member for Greenwood. I do so because I was informed by the Chair that, having exhausted 20 minutes of my first opportunity to speak, I would not be allowed to take part in the debate again. I have no objection to the hon. member for Greenwood being allowed to ask a question, provided I am given a similar courtesy.

The Chairman: The hon. member for Comox-Alberni took only about eight minutes of his time, after which he allowed a question. A question is normally allowed by the Chair in those circumstances.

Mr. Brewin: I do not know if the hon. member was in the chamber when the question of NORAD was discussed this afternoon. I referred to a statement made by the Secretary of Defence Schlesinger which referred to the air defence conducted through NORAD—he did not actually use the word "NORAD"—and in that statement he said: "Because there is no defence against missiles, defence against manned bombers is not practicable". If the hon. member is not prepared to accept my advice—and I would not blame him for that—is he not prepared to give some weight to the words of the Secretary of Defence in the United States?

Mr. Anderson: I am aware of that statement, but I am also aware of the fact that the United States has not dismantled its NORAD equipment. So I can only assume that the capability is still there. Then again, Mr. Schlesinger is but a person; I should like to have the opportunity to question him about the point of view he has expressed. I should like to know the context in which he made that statement. What does the defence staff think of it? What do the joint chiefs of staff think about that opinion? At any rate they have not put it into practice. Until such time as that friendly nation, which is still carrying a tremendous stock of manned bombers, takes action to cut its fleet I think it is mandatory that we give our support to NORAD.

Mr. McKinnon: Would the hon. member accept one more question? In the course of his speech he said that some people were complaining about the forces being over-equipped. Could he identify the people who made that particular claim?

Mr. Anderson: The hon. member is quite correct. We have all recently emerged from an election campaign. This matter was raised in my area—some people were saying there is too much of this and too much of that. It is inevitable that people will take sides. I was referring, really, to the money we were spending. This particular point was not made here in this chamber but during the election campaign.

● (2030)

Mr. Nowlan: Mr. Chairman, I appreciate the opportunity to participate in this debate, and I should like to tell the minister that I intend to express a few frank views about the situation in defence as I see it. Anything that I say is to the minister in his capacity as minister and in no way reflects on any personal friendship I had with the minister before my remarks, and I hope will have when I have finished my remarks.

In light of some of the things occurring today as well as some of the matters the minister has under study, I would say the situation is so serious that, even though I should like to ask a multiplicity of questions, as others have, this is not time to talk tamely but to talk frankly.

I was disappointed in the extreme that the minister, in presenting his estimates to this committee, gave an apologia, as he did also last time he presented his estimates, as well as in the statement he gave the committee a week or two ago. He sounded more like a stockbroker flipping coupons and juggling figures than a minister expressing the concern of all of those who have a sincere interest in the defence of this country.

He justified a saving of $100 million, and yet when we look at the LIP program some $90 million has been spent. No one suggests that the budget has been cut, but some budgets have been cut by the government in the last few years. The minister could have said some substantive things about defence when he dealt with the four priority tasks of our forces, but he got involved in this semantic debate about figures, taking $17 million here and $14 million there, and ending up with $100 million. If he wants to be Auditor General I think he should move on to other pastures and not confuse serious issues.

The issues are serious because we have had a defence freeze for four years. We have also had a galloping rate of inflation of 15 per cent in terms of service procurement, not 7 per cent which was the yardstick in the formula introduced last year. It is a futile exercise to talk about a

cut in the budget, because we know that due to inflation and the freeze the budget has been effectively cut. More important, the effectiveness of the forces has been substantially reduced.

In all kindness, Mr. Chairman, I say to the minister that the vacillation, not only of himself but of his four predecessors in the last five years, the indecision in leadership still evident in his department, and the retreats from decisions that have been made, have all compounded the problem, so that members of the forces of this land, be they private, corporal or general, are in a state of despair, bewilderment and downright depression, as has seldom been the case in peacetime history.

I say peacetime advisedly, because what a peace it is! For example, look at Cyprus. The minister knows more about Cyprus than I because he has been there. Then there is the Middle East. Those are two hot spots in the world that are tinder dry. Yet the Warsaw pact commitment is getting bigger and bigger every year, at a time when our stature as a component part of NATO is shrinking, as indeed is NATO itself. So one cannot describe conditions today ideally as peacetime conditions.

I am sure Confucius or Joseph Howe would have said that if a country cannot patrol or protect its own borders it will not survive as a state. As far as Canada is concerned, I think the capacity of the forces to patrol our borders, and protect the sovereignty of which we are all so proud, is somewhat limited.

Developing a Canadian identity through cultural programs using the broadcasting media are all to the good. Yet when it comes to being bosses of our own territory, a fundamental function of a sovereign state, I suggest we are missing out. By sovereignty, I mean sovereignty over our own borders and the three seas that surround us.

It is a strange paradox, and a sad commentary, that the cutbacks which the minister talked about, but which he did not define in terms of the four functions, are being made at a time when there is increased emphasis on sovereignty, be it in the Arctic, off our shores, both in connection with the fisheries and the 200 mile limit, or our responsibility to NATO to patrol certain sections of the North Atlantic.

The hon. member for Halton-Wentworth would be the last person to show any disrespect for the services, and quite frankly, I thought the minister was indulging in a little political partisanship by casting some reflection on the hon. member. He would be the first to admit, as I think the minister would also, that the peacetime serviceman, even in this sort of pseudo-peace we are in today, is the most maligned and misrepresented individual in the public service. The fact that there have been five ministers since 1968 in this important department, which the minister took pride in today, does not give members of the forces much opportunity to find out who their current minister is, so how can he defend the interests of servicemen and officers?

It is time that the Minister of National Defence did start to defend the forces and to fight for the forces, rather than being an apologist for a government that has no interest in the forces, does not care about the forces, and thinks in the abstract terms of the Prime Minister that some are bad, others are worse, so let us not get involved at all. This is not the kind of leadership that we deserve from a minister of national defence. The minister must become the advocate of the forces.

The minister should tell Canadians the way it is. There are problems in defence, and they should not all rest on the shoulders of the minister. Let him tell Canadians about our contribution to NATO. In the statement that the minister filed before the committee in 1973, he told Canadians that we are thirteenth out of fourteen nations in terms of gross national product contribution. The only country below Canada was, as most members know, Luxembourg, and it can hardly be counted because it has only one battalion which serves in Belgium. So we are really last. Is that the kind of commitment of which the Prime Minister is proud? How can he say, as he said in Brussels today, that Canada is proud to continue playing an important part in NATO, when our percentage support is the lowest on the totem pole? Let the minister tell Canadians that.

Let him also tell Canadians about our responsibilities in the north, about how our air patrols and numbers of men have been substantially cut back, and how the option is open to him to cut them back even further. Let me tell the minister that if one of the options that he is considering becomes reality, then I will do my darndest to make sure that either I leave the House or the minister does. Certainly one of us should go if the minister is serious about one of his options respecting the north.

There must be a presence if you want to have sovereignty. If the minister thinks you can cut back overflights for six months at a time without our presence in the area suffering, then he is more naïve than I thought.

● (2040)

Let the minister tell Canadians about NATO. I am not talking just about forces in the north, because that is only one facet of defence. Tell Canadians that this night, and every night for the last month, our aircraft have not been flying as far out into the Atlantic, or as often as they used to do. In fact they are staying pretty close to home. The minister knows that cutbacks have affected Maritime command flights. He should start levelling with Canadians.

Someone recently talked about banana republics. I am sure I could compare the military budgets for 1972-73 of most of the banana republics of South America and would find that they spend more proportionately of their national production on defence than we do here. Tell Canadians what we are doing in respect of NATO. Why is this all shrouded in mystery and secrecy?

If Canadians are not prepared to pay the price of defence then the minister will have the understanding of this House. He cannot have things both ways. The minister cannot make statement after statement, as referred to by the hon. member for Victoria today, in the face of shifts, changes, retreats and reversals in our defence policy—and this has been going on since 1958,—with complete despondency and depression in the service.

The minister said that defence of North America is one of our priorities. One of the reasons we are not sharing and joining in exercises in the north with our American cous-

ins is because of cuts in finances. We can spend $2.5 billion on unemployment insurance and $750 million for consultants' reports, but now we have the minister taking the time of the House telling us what a grand fellow he is because he saved $100 million in the estimates today.

In all seriousness, some poeple in the forces are thinking today that this minister is a fraud if he pretends that we are fulfilling the minister's own four stated objectives.

An hon. Member: You don't know what you are talking about.

Mr. Nowlan: I am not sure who said that but he should stand up. The minister may not have time to answer my questions as I will likely take up my entire 20 minutes, but let me repeat that the minister is a fraud if he stands in this House tonight and suggests we are presently discharging the four commitments to which he referred—and that was true even before any cutbacks.

There has been some reference to cutbacks to the extent of 30 per cent. Having relation to the four stated objectives, I should like to know where those cutbacks will take place. Surely this is the time for the minister to indicate what are the problems and what he considers should be done. He should let us know if we are going to get out of NATO, cut back on our sovereignty expenditures in the north, cut back on our peacekeeping role, or cut back on our Norad commitments. These are the things we should be hearing about here today rather than references to a savings of $100 million in the over-all defence spending.

An hon. Member: What about Cyprus and the Middle East?

Mr. Nowlan: I suggest that the President of the Treasury Board knows more about Indians than he does about defence. In any event I have the floor at this time. I do not know how much he knows about Indians, but I think they have scalped him a couple of times.

An hon. Member: Shame!

Mr. Nowlan: An hon. member shouts "shame". It may have been the hon. member for Vaudreville. He is ashamed everytime he speaks. The minister talks glibly about cutting back 30 per cent.

Mr. Herbert: Mr. Chairman, I rise on a question of privilege. On a number of occasions I have had to correct members of the opposition. I did not at this time interject, but in any event the county is the county of Vaudreuil.

Mr. Nowlan: Mr. Chairman, I am not going to chase after muskrat tracks, I am going after something a little bigger.

Mr. MacFarlane: Mr. Chairman, we have heard some reference to the fact that this government does not care about the armed forces, and this affects me because I am in this government. I would have hon. members understand that there are many of us who have served, who care about the forces, and who will not accept that kind of criticism.

An hon. Member: You have a lot to learn.

[Mr. Nowlan.]

Mr. Baker: Take it to your caucus.

Mr. Hees: You are not a member of the government and the way you are carrying on you never will be, Buster.

The Deputy Chairman: Order, please. I would suggest to the hon. member that what he is raising is an argument and not a question which relates to his own privilege or the privileges of this House.

Mr. Nowlan: Mr. Chairman, I do not have time to indulge in these frivolities and indiscretions of hon. members opposite. If they do not know the difference between the cabinet and a member of parliament they have a great deal to learn about political science. The hon. member for Hamilton Mountain is a very delightful gentleman, and I know that after he sits and listen to the contributions of various members he will realize that I am directing my remarks to the government and not to Liberal backbenchers, NDP backbenchers or Conservative backbenchers.

With all due respect his own Prime Minister called members of parliament nobodies.

An hon. Member: And he isn't even a somebody.

Mr. Nowlan: In any event I will ignore these interventions tonight because I am not going to run through the swamp after muskrat tracks when I can go after the Minister of National Defence.

The minister and his officials talk about cutting back to the extent of 30 per cent. I should like to know how you cut back 30 per cent in respect of a foot soldier. Is he supposed to walk only one mile instead of three?

An hon. Member: You cut off part of a leg.

Mr. Nowlan: That is about as naïve as some of the things the department has done. Obviously when you have moving parts, as you do in the mobile or Maritime commands, you have extra costs for aviation fuel and the like. The minister says we are going to have a well fed, well equipped and well motivated Praetorian Guard. Incidentally, my latin is as good as my French, and my French is not too good.

Let me become serious, Mr. Chairman, as I know I am reaching the end of my time. How can you have such a guard when the forces have no purpose? They cannot have a purpose if the minister makes no commitment.

How can any member of the service, especially one in Maritime Command, believe that this minister has a commitment to the force when the largest single problem the minister has is in terms of the capital cost necessary to replace the LRPA? I will not get into that, but the command most affected by that replacement has never even seen the minister. Its members have never seen even his shadow. Since the hon. member became a minister of the Crown he has not taken it upon himself to get out of Ottawa to make an official visit to Maritime Command. Certainly that alone has not done much for Maritime Command.

Let me conclude by saying that we heard a great deal during the election campaign about leadership. The government received a mandate to lead. It is time the minister started to lead by making some decisions about the forces.

Perhaps before he makes those decisions it would be a good idea, both for the minister and the forces, if he moved around the country speaking to service clubs, explaining the problems and the limitations.

Perhaps I could refer to the Minister of Agriculture as an example. I have disagreed with him on many occasions and on many issue, but I respect his energy. He deserves some kudos for his commitments to farmers. I think it is time the Minister of National Defence took a leaf from that minister's book. He should become the spokesman for the armed services just as the egg monster has become the self-styled spokesman for the farmers. Perhaps then he would become known to the servicemen as the Minister of Defence, no longer dominated by his cabinet colleagues or restricted in his activities. Let him start now by meeting his men in the different commands. The minister has been all around the world, but he has not visited his own men in Maritime Command.

● (2050)

I do not know about Mobile Command or Air Transport Command, but Maritime Command, as the minister knows, is one of the biggest problems. It is obvious, because of its moving parts which are involved in the sea or air aspect, that that command is most concerned about the cutbacks in operations. I had intended to read a beautiful speech by Churchill given in 1938 about the annexation of Czechoslovakia but I am afraid that my time is just about up, Mr. Chairman.

Mr. Stanfield: No.

Mr. Nowlan: All right. Then by popular request I shall read these words of Mr. Churchill spoken in th House of Commons in England on October 5, 1938. He was the first person who said that Neville Chamberlain came back with an unmitigated defeat. I want to read this seriously because of the problems the minister has and the narrow focus he has on these problems. We are getting close to the same situation.

In talking about Czechoslovakia Mr. Churchill said:

> But we cannot consider the abandonment and ruin of Czechoslovakia in the light only of what happened only last month.

I stress that because it is not just a decision about the Argus that is involved; it is the over-all thing.

> It is the most grievous consequence which we have yet experienced of what we have done and of what we have left undone in the last five years—five years of futile good intention, five years of eager search for the line of least resistance, five years of uninterrupted retreat of British power, five years of neglect of our air defences. Those are the features which I stand here to declare and which marked an improvident stewardship for which Great Britain and France have dearly to pay.

That was in 1938. All I can say in closing, especially to my friends to the left, is that men have not died peacefully in their beds since civilization dawned. There has always been some type of war. Mr. Chairman, I want to say that we can get out of that situation, but we are not out of it and we will not get out of it by not protecting ourselves.

Mr. Richardson: Mr. Chairman, some of the remarks of the hon. member for Annapolis Valley do not require comment. However, it always comes as a surprise to me, and as a surprise for those of us who are working in the interests of the Canadian armed forces, to find that it is usually the members of the opposition who refer to the Canadian armed forces in the kind of language that I wrote down and which was used by the hon. member—downhearted, ill-equipped and with low morale. I do not know why they seem to want to degrade the Canadian armed forces in that way.

Mr. Nowlan: Visit them.

Mr. Richardson: I do visit the armed forces. I talk frequently with members of the forces and I do not find them downhearted. I find them dedicated. I find them highly professional, efficient and proud of the work they are doing for Canada. I think that if the hon. member for Annapolis Valley had been in the House earlier today he would have heard the importance which I attach to the roles played by the armed forces. I do not intend to repeat my statement now. However, may I say with your indulgence, Mr. Chairman, that if everything was as bad as the hon. member and other hon. members suggest in the past ten years—

Mr. Nowlan: I said since 1968.

Mr. Richardson: Mr. Chairman, I want to read not from an old paper but from something which appeared in an Ottawa paper this afternoon. This may be an indication of whether things are as bad as they are made out to be.

Mr. Nowlan: Who wrote it?

Mr. Richardson: The name is Robert P. Rothschild. He says:

> There is no question but that the Canadian armed forces are about the best-trained and most professional military organizations in the world.

Mr. Hees: He is a general. He was one of your boys who is now retired. We used to call him the baron, Baron Rothschild.

Mr. Richardson: The last sentence I wish to read states:

> Their record of achievement has few, if any, equals. The Canadian people have every right to be, and should be, extremely proud of them.

Mr. Nowlan: On a point of order—

Some hon. Members: Oh! Oh!

The Chairman: Order, please. I believe the hon. member for Annapolis Valley wishes to raise a point of order, if hon. members will allow me to hear it.

Mr. Nowlan: Mr. Chairman, I must say I have been here ever since the debate started. I listened to the minister. So far as General Rothschild, who just retired from defence headquarters, is concerned, the reference to him accentuates my point. How many sergeants messes and corporals messes has the minister visited, and did he get out in the field?

The Chairman: Order, please. The hon. member for Vancouver South.

Mr. Fraser: Mr. Chairman, through you I should like to put some questions to the minister. The first question

relates to the air-sea rescue squadron on the west coast, Squadron 442. A year ago I had occasion to ask the minister questions related to the difficulties that squadron was having in maintaining its equipment and keeping all its aircraft in the air for an optimum period of time. The questions I asked and the subsequent debate which took place made it clear—and I know there is no disagreement on this point—that there was no criticism of the squadron and that in fact the men operated as efficiently as possible.

As recorded at page 7213 of *Hansard* for October 25, 1973, I asked the minister the following question:

Will the minister either replace these worn-out aircraft or increase the number available, and when will this be done?

The minister answered in part:

In the new modernization and renewal program that I have announced there are funds for new equipment which will be going into search and rescue, as well as into other areas.

Would the minister tell us exactly what has been done with regard to 442 Squadron further to the comment he made a year ago.

Mr. Richardson: Mr. Chairman, broadly speaking the equipment for search and rescue has been maintained and improved. I cannot bring forward the details at this moment to tell you exactly what equipment has been added to 442 Squadron.

Mr. Fraser: Mr. Chairman, may I ask the minister if he has any knowledge whether there has been any change in the basic equipment of Squadron 442 in the past year, or whether there has been any change in the procedure of supplying that squadron with replacement parts on a more efficient basis than was the case a year ago?

● (2100)

The minister understands that at the time the problem was to try to take spare parts from a base somewhere in central Canada to British Columbia, and there was a further difficulty in that civil aircraft flying into Comox did not have the capacity to carry many of the parts. Can the minister tell us whether he has any knowledge of any change in the basic equipment, or in the parts replacement system that was in effect at that time?

Mr. Richardson: I can understand the hon. member for Vancouver South being interested and concerned about the question of spare parts for the squadron in his region, and I will undertake to provide that information in detail. As I have said earlier, however, I cannot do it at this time.

Mr. Fraser: I thank the minister for his answer. I want to state unequivocally—because there are some members on the government side of the House who seem to think that any criticism coming from this side indicates lack of interest or respect for the armed forces of this country—that, as the minister may know, I served modestly in the armed forces of my country some years ago and I am extremely proud of it. Any comments I have to make are made because I think the armed forces in the country fulfill a very necessary function, and that we are served by dedicated men.

[Mr. Fraser.]

However, I am concerned when I find that cuts are taking place. Also, when I talk to people in the armed forces and we hear unfortunate descriptions of the situation, I find that that can only lead to low morale if it remains uncorrected. I may say to some hon. members who have spoken tonight that I served with the Canadian brigade in Germany in 1953, at which time the government said it was the finest and best equipped brigade that had ever left Canada.

This does not concern the minister, but that sort of statement was made at the time when we served in the infantry brigade in Germany, when we had no web belts and no steel helmets, we were short of munitions, and in fact could not have fought our way out of a wet paper bag because of a basic breakdown in supply and communications. Yet I remember, as a young soldier, the government telling me that it was a marvellous brigade. But I was there and saw things that the then minister of national defence, when he came to visit, never saw because he had no chance to look at men in the line, or to talk to the people who could have told him what was the trouble. So I urge the minister to be sure in all his travels to talk to everyone in the forces, and not just to those who may feel they have to be apologists for him.

I ask the minister to let us know exactly how many front line battalions are stationed presently in Canada. I believe there are nine infantry battalions, and I take it the minister agrees.

Mr. Richardson: That is the correct number.

Mr. Fraser: Can the minister tell me what is the strength of those battalions? If he cannot tell me the exact number of men, can he give me the approximate strength?

Mr. Richardson: A battalion is in the order of 600 to 700 men.

Mr. Fraser: Unless battalion strength has been changed drastically since I was in the forces, at which time a battalion at full strength was substantially more than that, is the minister saying that battalions are now running at around 500 or 600 men?

Mr. Richardson: I said 600 to 700 men.

Mr. Fraser: Is that the answer?

Mr. Richardson: That is the figure that I have used and understand to be substantially the right figure for the strength of our battalions at present.

Mr. Fraser: May I then ask the minister whether, from a military point of view, looking at what is a full strength battalion on the Canadian battle order, whether these battalions are under strength or up to strength?

Mr. Richardson: Compared with their wartime or fully authorized strength, they are undermanned.

Mr. Fraser: That is the point I am trying to make. I understand that in NATO we have 2,800 ground troops. I should like the minister to tell me how many of that number are actually front line combat troops. I am not talking about medical personnel or other support troops.

In other words, have we one full strength battalion that could go into action in Europe?

Mr. Richardson: I understand that the correct figure for the land troops in Europe is 3,000.

Mr. Fraser: Of the 3,000, how many are front line combat troops?

Mr. Richardson: All of the 3,000 are front line troops.

Mr. Fraser: Where else do we have front line combat troops—how many in Cyprus and how many in the Middle East?

Mr. Richardson: In Cyprus we have front line troops numbering 950. Our forces in the Middle East are involved in logistics and are not considered front line in the same sense.

Mr. Fraser: Doing some very rough arithmetic it seems to me that Canada is in a situation of having total front line combat troops numbering less than 11,000 or 12,000 men. I understand that this is less than a division. What I am asking the minister—and I am not asking this in a pejorative sense but in the hope that some support from this side may make it easier for the government in terms of public opinion and in terms of the government's own deliberations—is whether he is satisfied that on a budget of $2.5 million the best Canada can do is to put less than 10,000 men into the front line as combat troops? Is that good enough on that budget?

Mr. Richardson: It does not really help us to look at only one part of the Canadian armed forces and ask about our whole budget. The hon. member has not mentioned the air or the sea personnel, and yet part of the budget goes to them.

Mr. Fraser: I am quite aware of the other branches of the armed forces, and I am not trying to say that the budget does not cover them, but I am saying that our armed forces are consolidated. Is the minister satisfied that that is all we can do with that budget?

We have 22 million people, we have an annual budget of $24 million, and we have a total of 79,000 men in the armed forces. Is that good enough, and is the minister satisfied with that?

Mr. Richardson: I think we would never be satisfied if we only considered the sharp end unrelated to the support side. We want to increase the sharp end, and I believe this is what the hon. member is talking about. I know something of his background to which he referred, and also his active participation in the militia, and I think he has a good point. We should put as much emphasis as we can on the sharp end. However, we cannot get along without the support forces, and in coming to the conclusion that he may be trying to reach, he should give consideration to the equipment that is in use. This is something that I have tried to emphasize. Very clearly it is not just the numbers that should be considered, whether they are infantry or sea or air forces. It is not just the numbers that determine the military capability, but numbers with equipment. You have to measure numbers and equipment in order to assess military capability, which is the central objective.

Mr. Fraser: I could not agree more with the minister that one cannot measure military capability only in terms of numbers. My colleague says that our front line troops number about 10,000. I assume that when the minister refers to those troops he means troops with equipment and with back up. My question is: how much lower can the armed forces decrease before the land component of the Canadian armed forces reaches militarily a negligible number of men? Can we sink any lower?

● (2110)

Mr. Richardson: Mr. Chairman, this is the issue we are facing. We have our commitments in Canada for internal security; we have our commitments to NATO of 5,000 men; we have our commitment for peacekeeping, and we have to achieve a rotation of those personnel. There have to be training programs. The hon. member is correct. We have reached the level where it is difficult for us to carry out all the tasks we are required to undertake. The forces are double tasked and in some cases, triple tasked in order to carry out the duties expected of them.

Mr. Fraser: I thank the minister for his answer, and I think we have got to the heart of the matter. I hope he will remind his colleagues tomorrow that he has support on this side of the House for the difficulty he is in, and he has a lot of support from the public. I might just end my remarks by reminding the House of a verse quoted back at the time of the Napoleonic wars, Mr. Chairman. It goes like this:

God and the soldier we alike adore
In times of danger—not before
The danger gone—and all things righted
God is forgotten, the soldier slighted.

Mr. Leggatt: Mr. Chairman, I am going to participate in this debate a little late, and so I am sure a good deal of what I wanted to say has already been said, but I should like to ask the minister to clarify something.

On page 15-18 of the estimates in the section headed "Contribution to NATO Collective Defence Measures", a rough addition of the figures produces something under $1 billion for capital expenditure. This would presumably be hardware of various kinds, ships, etc. May I ask the minister if this is a budgetary item or a phased purchase program which has been hidden in the $2.36 billion total defence budget, or should I consider that item, something over $800 million, to be part of the total $2.36 billion defence budget for this year?

Mr. Richardson: Mr. Chairman, I believe the hon. member is looking at the first column on page 15-18 headed "Currently Estimated Total Cost", rather than the actual estimates, but I would have to get clarification from him before I fully understand his point.

Mr. Leggatt: Mr. Chairman, it is a case of straightening it out in my own mind. Page 15-18 of the estimates deals with capital expenditures, and under the heading "Contribution to NATO Collective Defence Measures" in the column "Currently Estimated Total Cost" the total comes

to over $800 million. I should like to ask the minister whether that is a budgetary estimate for a year, or are we talking about a phased projects program in terms of capital expenditure in the NATO program?

Mr. Richardson: Mr. Chairman, if I understand the hon. member's question correctly, I would say it is a phased program. The first column gives the total that we intend to spend over a number of years; the second column indicates what has been spent up to March 31, 1974, on that program; the third column shows how much we expect to spend on that program this year, and the fourth column shows what we have still to spend in future years.

Mr. Leggatt: Thank you, Mr. Chairman, that clarifies the matter. I have heard a considerable amount of debate about whether we should leave this budget as is, Mr. Chairman. It has been an interesting debate because my friends in the Conservative Party have reacted fairly predictably. When we talk about public expenditures there is a tremendous hue and cry, but when we get to the subject of defence they say we are not spending enough money.

If we want to save the taxpayers' money this is the place to do it. I congratulate the government on having gone part way by reducing some of these expenditures. If it would really like to save money, however, it could start with the contribution this country makes to the NATO defence alliance and the 5,200 troops committed to that alliance. If we were to bring the troops home and withdraw that $800 million capital expenditure it would save my constituents a pretty significant amount of money which could go a long way toward increasing pensions and improving social services.

The usefulness of NATO to this country is over, Mr. Chairman, and it is time that this House entered into a serious debate on that subject, instead of a debate about the Sherman tank we are about to purchase.

Mr. Woolliams: Ramsey MacDonald talked like that and they all nearly lost their lives.

Mr. Leggatt: In reply to the hon. member for Annapolis Valley who suggested that World Federalists were just dreamers, Mr. Chairman, I must say that if we do not start dreaming about world federalism and world order, this kind of debate we are having is pretty futile. We will not have a world.

I should like to commend the government on the contribution the Canadian armed forces have made to the cause of world peace. I think it is time we honoured those men who died in the cause of peace both in the Middle East and on Cyprus, while performing a very difficult role. I hope on Remembrance Day some special tribute will be paid to the soldiers who have the difficult job of being unprotected from both sides in a war. We should pay them the honour that is their due, especially those men who died in the service of world peace.

The hon. member for Esquimalt-Saanich raised the matter of the Law of the Sea Conference and I should like to ask the minister a question on that subject. It is very likely that this conference will result in at least a 200 mile limit, plus the continental shelf. That could be a difficult problem for this country, Mr. Chairman, because we will have to patrol that area. May I ask the minister what plans there are for patrolling the 200 mile limit off the coast of British Columbia? Our naval equipment is probably inadequate, and possibly the wrong type to service a very large area.

● (2120)

Mr. Richardson: I thank the hon. member for New Westminster for referring to the greatest cost of our peacekeeping. I have said this before. Our greatest loss is the loss of life and the number of men who have been wounded in peacekeeping service. I felt that strongly when I attended the funeral of Private Berger in Rimouski. I will be in Lahr, Germany, on Armistice Day, and I will recall there the sentiments which have been expressed here tonight.

Concerning the Law of the Sea Conference, we know that a final decision has not been made. The next conference is ahead of us, and we are preparing to do what we can to implement any new understandings and protect Canadian Interests within the limits finally determined at that conference.

Mr. Leggatt: My last point concerns the approximate $54 million being spent on defence research. We should examine the effects of grants given for defence research. When you develop a defence industry which depends on these grants, and admittedly in Canada the risk is small at present, you can run into the sort of thing which happened with the Arrow in Toronto. That aircraft was developed directly because a military-industrial complex was in existence. We know the agony of the decision to scrap the aircraft.

Let me ask the minister if some of that $54 million which is used for defence research has been responsible for a device known as the sound disorientation device. It is used in the interrogation of prisoners, and is now being used in northern Ireland. Is my information accurate? Are our defence research people making this kind of device, which can be classified as a device of military intelligence rather than military hardware.

Mr. Richardson: Mr. Chairman, I have no knowledge of that device. I can confirm the hon. member's figures. We spend about $4.5 million on grants to industry and $3 million to universities. That is part of the total of $54 million which we spend on defence research. The remainder is used to operate our own defence research establishments.

Mr. Leggatt: Mr. Chairman, we spend $54 million on defence research but not a penny on peace research. Some organizations in this country do effective and useful work in determining the real causes of war, instead of rattling sabres as some of our friends do. I suggest that we should consider seriously giving grants to organizations which do research into the historical causes of war. If you want to spend money effectively, that would be a good start. Most countries of northern Europe spend money on peace research. It would be a useful change if we spent money on peace instead of on war.

Mr. McKenzie: Mr. Chairman, the Minister of National Defence commented about an article in this evening's

Ottawa *Journal* by Robert P. Rothschild. May I continue quoting from that same article:

> The sad fact is that they are almost reduced to skin and bones. Muscle in the form of modern equipment is lacking. Increased costs and inflation have meant that there is an ever-decreasing portion of the defence budget that can be devoted to new equipment.
>
> Reducing the strength of the forces without cutting out complete commitments will only mean that they will not be able to carry out their tasks properly. This will inevitably breed frustration with a consequent lowering of morale in all ranks, no matter how well paid the serviceman will be—
>
> —government spending is on the increase. The percentage allotted to national defence is on the decrease. One can hardly escape the feeling that the government does not believe in its own announced defence policy.

Last week I asked if the money for overhauling the Boeing 707 at Winnipeg would be allotted under CAE. As the fund is not mentioned in the estimates, will the minister seek the fund next year? Will these funds come under the defence budget, or will the minister apply to Treasury Board?

Mr. Richardson: Mr. Chairman, these funds have been approved by Treasury Board. Of course they were not approved when these estimates were prepared. The figures only appear in the estimates after they have been approved by Treasury Board.

Mr. McKenzie: Mr. Chairman, some months ago the minister said that his department would go into partnership with Air Canada for transporting military personnel. Has that procedure begun?

Mr. Richardson: Mr. Chairman, I understand we have not entered into charter arrangements with Air Canada.

Mr. McKenzie: Is the department planning to enter into an agreement with Air Canada? The minister made a public announcement on that. May I bring to the minister's attention a brief presented to the government in February, 1972, by the Air Transport Association of Canada about the commercial-military partnership which would conduct air transport operations? Even if the minister faces some difficulties, would he consider reviewing that document again and consulting those people about transporting troops and cargo? Also, can the minister explain what his department's relationship will be with Air Canada?

Mr. Richardson: Mr. Chairman, we have discussed contingency plans with Air Canada but we have not entered into any contract for the carriage of our personnel or supplies. From time to time we make use of commercial airlines, but we have no contractual arrangement on a regular basis.

● (2130)

Mr. McKenzie: One further question. Does the Department of National Defence have a program to translate all existing technical documents, training and instructional documents, and schematic drawings into the French language? If there is such a program, may we have a description of what is involved?

Mr. Richardson: That is a very long-term program. We are implementing the B and B policy in the department but the program to which the hon. member referred is not actively under way at the present time. It is long term.

Mr. McKenzie: Does the minister have any idea what the overall cost will be for Canada? Will these documents be translated in each province, in each depot, and also in our overseas bases?

Mr. Richardson: I am certain that the figure for the whole of Canada has not been determined. It has not been determined by us.

Mr. McKenzie: Is there any sum included in the estimates this year to provide for translation services? How far back will the department be going in its translation procedure? Will the department be ordering bilingual documents in connection with any new equipment that is required?

Mr. Richardson: There is provision in the estimates for the translating of manuals and of information relating to new equipment.

Mr. Wise: Mr. Chairman, I welcome the opportunity to participate in the proceedings today, an opportunity which allows us to make comments and pass judgment on departmental activities, or perhaps, more appropriately, inactivities and expenditures within the Department of National Defence.

The main thrust of concern, care and criticism dealt with has been, and no doubt will continue to be the very obvious attempts by the government to reduce the priority of the National Defence Department in relation to other government departments.

Last weekend I had the pleasure of attending a portion of the annual conference, held in St. Thomas, of District A, Royal Canadian Legion. This conference was attended by over 300 delegates representing the many legion branches in southwestern Ontario.

Countless numbers of members expressed concern, disgust, disappointment and disapproval over recent announcements by the government with respect to present and future programs. This group of highly distinguished citizens expresses a well qualified view that must not go unheard. It is a view for which I have the highest respect and regard, and theirs is a concern that I share.

Let me cite in part a resolution presented and passed at that conference. It reads as follows:

> Canada has not the military strength to live up to her present commitments. We of the Legion advocate the maintenance of defence on sea-land-air by virtue of our partnership in the commonwealth, the United Nations and NATO. We strongly object to the cut in Canada's armed forces strength.

This statement accurately reflects the mood of that segment of our society, and no doubt reflects the mood of a great number of Canadians.

Now, Mr. Chairman, having expressed the views of a segment of our society to which we owe a tremendous amount of gratitude, indeed for our whole freedom and democratic way of life, I want to turn to another group of people who are close to the beginning of their lifespan, and

upon whose shoulders our future and Canada's future rests. I refer to the youth of Canada. It has often been said, and rightly so, that the most valuable of all resources in our country is our youth.

I will deal, in particular, with the air cadet league of Canada, without a doubt a most neglected group, whose extreme misfortune it is to be placed at the mercy of a defence department that does so little and appears to be planning to do even less for such a worthwhile sector of our Canadian society.

I am in receipt of a recent letter from Mr. Art Jordon, general manager of the St. Thomas YMCA, and the commanding officer of an air cadet squadron. Some of his remarks are pertinent to this debate. He says:

> Your are aware that for the past 11 years our YMCA together with the Air Cadet League of Canada, and the Department of National Defence has sponsored an air cadet squadron in St. Thomas.
>
> It has been and we believe still can be a potent force for good among our young citizens.
>
> Unfortunately, in recent years, about the last three to be exact, we have detected what appears to be diminishing interest in cadets by the Department of National Defence. Promises have been made regarding new training aids, films, uniforms, and the support of girl cadets, yet nothing has happened.
>
> We can readily understand the need to curtail expenses at the government level, but seriously question these curtailments being made at the expense of a program that has proven its value over many years.
>
> Some of our squadron's accomplishments are as follows: 27 private pilots, three glider pilots, 14 senior leaders, three athletic leaders, seven to military college, five to police forces, and 19 to regular armed forces. No less than 1,011 different individuals have served one year or more in the squadron.
>
> This record of service can no doubt be multiplied many times across our country.
>
> It is difficult to believe that we are still attempting to outfit the young people in World War II uniforms and using training aids such as ancient .303 rifles with .22 bores.
>
> Our board of directors want to continue this program but if the senior partner, the Department of National Defence, does not soon take some steps to modernize its part of the operation, then there will not be any way we will be able to continue to interest the young men and women who could well be our leaders of the future.

Some of these criticisms require elaboration. Anyone who has seen an air cadet squadron, a navy or army cadet squadron on recent parade could not help but be aware of the deplorable condition of the cadet uniforms. At this time the cadets are wearing the old blue uniforms, many of them are shabby and most of them ill-fitting.

One can easily imagine the difficulty of trying to recruit young people into an air cadet squadron when candidates see the members trooping around in a finely disciplined manner, yet dressed like refugees from a Sad Sack comic strip.

Poor as they are, the supply of these blue uniforms is running out and there is no existing contract to produce more. So the discouraging problems of dress worsen year by year until, I suppose, cadets are left with no working military uniform at all.

The Department of National Defence must take responsibility for outfitting these cadets in a more reasonable manner. Past promises in this regard have not been kept, so one tends to be suspicious of promises made now or in the future. What is required is action, and the sooner the better, before it is too late.

[Mr. Wise.]

Let me be more specific. A trial uniform, similar to the one used by the permanent force, came out in 1971. Each cadet squadron was given one new green uniform on a trial basis. However, by the end of the 1972 cadet year it was decided by the Department of National Defence that the cost of this clothing was too great and that a cheaper model had to be found.

After more vacillation, a new uniform concept was presented two years later, in May of 1974, at Montebello. Present was Captain N. McPhee, director of cadets, and representatives of cadet organizations from each province. The tone of the meeting was that although the uniform could have been much better, it should be produced immediately in any case, due to the fact that it was so badly needed. The Defence Department said it could not provide the new uniform for at least another year. Now the thinking appears to be that no new uniform will be available before 1977 or 1978. There have been rumblings in fact that the uniform may not even be acceptable to the Department of National Defence after all, and that still another will have to be found.

● (2140)

It has also come to my attention that rank badges are not available and that they are no longer being made. One commanding officer of a cadet squadron here in the capital city of Ottawa told me that if there were many more officer and NCO changes, rank badges would soon have to be made from odd cloth or scraps of material that might be available. If this is the state of cadets and their uniforms in Ontario, where cadets are considered relatively well off, I do not know what must be happening in some of the less fortunate areas of the western provinces and the maritimes.

Another contentious issue is that concerning girl cadets. I should like to take the opportunity of enumerating some of the problems encountered by these girls, because they are not officially recognized by the Department of National Defence. They have no uniform whatever, unless the squadron not only designs one of its own but is successful in persuading an already overtaxed sponsor to pay for it.

If new uniforms could eventually be produced, will there be one suitable for girls as well? Undoubtedly this will bring about longer delay and will probably result in more expense. The minister must be aware of this. More important, he must be prepared to do something about it.

I have a number of items that I wished to comment on, but in view of the time I shall conclude by saying that I trust the Minister of National Defence and his department will give serious consideration to rethinking their position regarding young cadets in Canada.

Mr. Richardson: Mr. Chairman, I should like to thank the hon. member for Elgin for his remarks, and particularly for bringing the views of the Legion concerning national defence policy to the floor of the House. With regard to girl cadets I draw his attention to the order paper. If he would look at today's order paper, on page 6, item No. 16 is an act to amend certain statutes to provide equality of status thereunder for male and female persons. Perhaps he has read the bill. It gives official recognition to girl cadets.

Mr. MacKay: Mr. Chairman, I should like to pursue a line of questioning initiated in part by the hon. member for Vancouver South. How many operational tanks are available to the armed forces in Canada?

Mr. Richardson: From memory, Mr. Chairman, a total of 72 Centurions. I believe there are 32 that are operational in Europe, the balance are in Gagetown. There is a total number in Europe of 51; of that number that are operational, I believe my figure of 32 is correct.

Mr. MacKay: With all respect to the minister, I have been informed that in Wainwright, Alberta, there are about 60 Centurion tanks, housed in hangars, which have been largely cannibalized but which could usefully perhaps, through a program like the Israelis use called Retrofit, be restored to first class fighting machines for considerably less money than it costs to buy a new modern battle tank. Can the minister say how much it would cost to refit one of these Centurion tanks to put it in the kind of condition that the armed forces of Israel have been refitting their tanks to with great success—tanks of American, German and Russian design?

Mr. Richardson: The Retrofit that the Israelis have undertaken is, I believe, on the Mark XI Centurions, which is a newer model than the one to which the hon. member referred. Although there may be a possibility of refitting them, I think that is very unlikely. The hon. member should identify the date of the tank and its age, before suggesting that we could do the same thing with older tanks as is done with newer models.

Mr. MacKay: With respect, Mr. Chairman, I put it to the minister that he is the one who should be able to date these tanks that are available to the armed forces of the country. I ask him what vintage are these tanks? Are they the same that the minister of national defence for Australia, Mr. L. H. Barnard, referred to in his very interesting speech in April of this year, which is reported in the Australian Foreign Affairs Record? Are they the same type as the type that the Australians are finding obsolete, or are they still older models than the ones referred to by the Australian defence minister?

Mr. Richardson: I believe the hon. member is referring to the Mark V tank, which is much older than the Mark XI, the Centurion tank we are using in Europe.

Mr. MacKay: I put it to the minister that if we have a tank that is older than a newer tank that the Australians have found to be obsolete, then why is it that a country with half of our population but with substantially larger armed forces is increasing its military budget substantially and we are not matching them? They find it necessary to replace tanks and long range patrol aircraft, while we are still muddling along with equipment that is older and more obsolete than theirs. What is the reason for this?

Mr. Richardson: I have talked with the minister of defence for Australia, Mr. Barnard, and I know we are well ahead of Australia in terms of replacement of long range patrol aircraft.

Mr. MacKay: That we are well ahead of Australia is certainly a revelation. Is it not true that we are still seriously considering replacing the Argus with 707s, which are nothing but converted passenger airliners but without the low level surveillance capability of the Argus?

Speaking of the Argus, I am informed by Canadair, manufacturer of the Argus, that the useful life of these aircraft, which is 20,000 hours, has not yet been reached. I remind the minister that these large and heavy aircraft have been flown for some of their operational hours under very heavy operational conditions, 200 feet over the Atlantic in bad weather. A couple of years ago these aircraft were showing signs of metal fatigue and they had to be grounded for a while. In view of the fact that it was only superb flying skill on the part of our air crew that got us by with the loss of only one aircraft, is it not time that we decided what we were going to do in this regard?

Again I draw a parallel with the Australian situation. They are talking of replacing their aircraft, which I think is the Orion. The minister says we are ahead of Australia in the replacement of equipment of this sort, but just how far ahead are we? How can we be when there has still been no decision from the government about replacing the Argus?

Mr. Richardson: The Australians have not, to my knowledge, made any purchases. When I spoke with them over a year ago our studies were well advanced, and they were interested in learning from us, from our knowledge and studies of long range patrol aircraft. We were ahead of them in our investigations. As hon. members know, we have entered into the contract definition phase with Lockheed and with Boeing, and that program is on schedule. We will be reaching the end of this phase in the spring of 1975.

● (2150)

Mr. McKinnon: Mr. Chairman, I am sure the Minister of National Defence would not want to mislead the House intentionally. It is my understanding that according to "The Military Balance" in 1973-74 they had one NR squadron with 10 P-3B Orions and 1 MR squadron with 12 SP-2H Neptune. I certainly think he must have been misinformed as it is unthinkable that the International Institute for Strategic Studies had been misinformed.

Mr. Richardson: There is certainly no intent on our part to mislead one another. I am simply aware of the conversations I had, and I know that the Australians were, as we were also, considering the Boeing as one of the aircraft they might use for long range patrol aircraft. I do not believe they have made a purchase. The figures that you have referred to are, no doubt, in reference to the aircraft with which they were already equipped.

Mr. MacKay: Mr. Chairman, I realize that there is not much time left. I should like to leave a little time for the hon. member for Victoria, and I know the House leader of the NDP would like a few moments, but I should like to conclude with one brief comment. It seems to me, from what the minister has said about the decision making process involving the replacement of our LRPA service, that this is engaging in a decision to make a decision to make a decision. I would hope that very soon, in view of the increasing inflationary pressures and the obvious need

for some decisions to be made quickly, the minister will get on with this job.

I should also like to state to the minister that I am disappointed, if I can rely on statistics I have been able to obtain, that our defence budget as a percentage of our total federal budget has been steadily decreasing from 16.4 per cent in 1968-69 down through various stages until it is now 11 per cent, and as a percentage of our gross national product from 2.4 per cent in 1968 to 1.8 per cent at this time. This, coupled with increasing military costs, makes the situation very serious. I am sure the minister will find that the people of Canada in general, and the members of Her Majesty's Loyal Opposition in particular, will support him in trying to get more funds for the vital task of defending our country.

I would remind the minister that there is no point in vacillating, and I would ask him to consider seriously the idea of leasing some heavy hardware and exploring the cost of amortizing the same. We have to equip our troops with proper armament or, in my opinion, we will be doing them and our country a great disservice.

Mr. Richardson: Mr. Chairman, I would simply like to thank the hon. member for his support for a larger budget, and for his suggestions.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I shall take only two or three minutes. One of the pieces of legislation which the Minister of National Defence administers is the Canadian Forces Superannuation Act. This is the act under which long-service members of the armed forces receive their pensions. It is similar to the Public Service Superannuation Act, although there are some differences. Another act which is almost parallel to the Canadian Armed Forces Superannuation Act is the RCMP Superannuation Act.

I am not going to launch into a discussion of the various things that might be at fault in the armed forces pension legislation, but there is one point that is very annoying to many retired servicemen. It has to do with the annual escalation of pensions which applies to retired public servants, retired members of the RCMP, and retired armed forces personnel. There is a stipulation that, no matter what one's age when he retires, he cannot draw the escalation until he reaches age 60.

There is a slight qualification in that if one is 55 years of age or over and has 30 years of service he can qualify right away. As the lower ranks have pointed out, this favours those in the higher ranks and discriminates against those in the lower ranks, because those in the lower ranks are forced to retire early.

This is a broad subject and I know that one superannuation plan cannot get out of step with another, but I implore the Minister of National Defence to lock arms with his colleague, the Solicitor General, who is responsible for the RCMP, and for the two of them to have a conference with the President of the Treasury Board. He is new, and this is a good time for him to do something worthwhile. This is a good time for him to make the necessary adjustments so that when servicemen and RCMP personnel are retired in the normal course they might draw their annual escalation without having to wait until age 60. May I ask the minister if he will consider this in concert with the Solicitor General and make the necessary representations to the President of the Treasury Board?

Mr. Richardson: Yes, I will be glad to do that.

Mr. Baker (Grenville-Carleton): Mr. Chairman, along the lines of the question asked by the hon. member for Winnipeg North Centre I should like to ask a question regarding the thousands of members of the Canadian armed forces who have retired and entered the Public Service of Canada immediately upon retirement. Many of them find themselves now in the position of having worked their entire lives in the Public Service, one part in the armed services and the other part on the civilian side, and are unable to count their service for leave purposes in the Public Service of Canada.

Again, in the same vein as the hon. member for Winnipeg North Centre, I ask if the minister would undertake that he will bring to the attention of the President of the Treasury Board the inequity which seems to exist in respect of these people who have served Canada in another capacity and are now continuing their service in the Public Service? I merely ask for that undertaking from the minister.

Mr. Richardson: Mr. Chairman, I have been advised by my colleague, the Minister of Finance, that this matter has been of interest to him and that he has consulted with the President of the Treasury Board, and the Solicitor General who is responsible for the RCMP. He is involved with all of us, and I think I can give an assurance that the matter the hon. member has raised is being given serious consideration.

Mr. O'Sullivan: Mr. Chairman, I thank you for recognizing me, though I regret the indication that I only have enough time for one question. Perhaps I might cite one case that has come to my attention recently. It involves the widow of a serviceman who spent almost his entire adult life in the armed forces. He died, and left her to fend for herself against continuing and rising inflation. She was advised that his military pension had been cut in half. Surely the minister recognizes, as do the officials of his department, that one person cannot get by adequately on half a pension. I am wondering whether the minister is causing this to be reviewed, particularly on behalf of widows with dependents. We all look forward to some positive measures to assist persons in such a predicament.

Mr. Richardson: Mr. Chairman, the circumstances described by the hon. member are difficult, but they result from a law which was passed by this parliament. Probably there are circumstances which require examination by all of us.

● (2200)

The Deputy Chairman: Order, please. It is my duty, pursuant to the agreement reached earlier this day, to interrupt the proceedings and call now the estimates for the Department of Indian Affairs and Northern Development to be found in Schedule A at page 10, 11 and 12 of the bill.

On Schedule A—*Department of Indian Affairs and Northern Development.*

Mr. Buchanan: Mr. Chairman, I would like to take a few moments to briefly discuss some of the problems and interests of the three branches which comprise the Department of Indian Affairs and Northern Development. These are the Indian and Eskimo Affairs Program, the Conservation Program, and the Northern Development Program.

First, I would like to deal with some aspects of the Indian and Eskimo Affairs Program. At the forefront of Indian problems is housing. It is painfully obvious that the program of direct subsidy which the department has been pursuing for some time is simply not keeping up with the demand for housing, especially on reserves.

Many of the houses are substandard, others are rapidly deteriorating. The root of the problem is that virtually all Indian bands and individuals are trying to build houses with only the subsidy money, without making any contribution of their own. This contribution would provide the wherewithal to build better houses and the incentive to keep them in good repair. Good housing lies at the heart of progressive community development because of its total effect on peoples' lives.

Because of the high priority I attach to housing, I was glad to find that housing policy was urgently under review in the department. The National Indian Brotherhood had input into the review through its housing brief, which it presented last April. I was personally disappointed in this proposal by the National Indian Brotherhood because its virtually exclusive thrust was to seek a substantial increase in direct subsidies from the federal government. It seems to me that the subsidy system has demonstrated its weaknesses.

Not only do the funds fall short of its actual need but, even more important, there is absolutely no incentive for the Indian occupant to maintain or improve the home when he does not have one cent of his funds invested in it. My response to the National Indian Brotherhood has, therefore, been to emphasize the co-operative aspects needed for a sound Indian program. They have requested a meeting with me later in November to review thoroughly this whole area. I look forward to meeting with the executive of the National Indian Brotherhood at that time.

However, I do believe that full use should be made of all government programs which are available to assist in the housing area. This has not been done in the past. These programs—whether we are talking about senior citizens housing, low income rental housing, or home improvement programs—all provide alternative sources of assistance for the Indian people. These should be combined with assets the bands have to contribute, and with the individual Indian's ability to pay as well. I look forward to developing jointly proposals for a program along those lines, a program that will be largely under the control of the Indians themselves at the band level.

In the area of economic development my approach has been to follow the same line of reasoning. I am all in favour of deploying government funds so that much needed economic activity can be generated in the Indian communities, in line with the aims and needs of the people concerned and largely under their control. But the government's contribution to this activity should be combined with contributions the Indian people can make themselves. The government's contribution should be used as a catalyst, or to provide missing components in schemes of development devised by the bands.

I might also mention here that more needs to be done, and is being done, to ensure that the full range of government program—from all departments and agencies, and at the provincial level—are made available to the Indian people, and that the total federal effort relates to services and programs provided by the provinces. There is a growing awareness on the part of Indian leaders at all levels that they are not taking full advantage of the government approved opportunities that are open to them as Canadians for social and economic advancement. I intend to encourage them by all means to seek to use these benefits for their people.

Viewed in the perspective of the whole country, the Indian people as a group exercise control over substantial assets. This applies to their land base particularly, which is increasingly in demand in this country. Some bands have put their land to productive use and thereby increased their assets. But their example has not been followed by all bands, even those who are occupying lands of significant economic value.

Hon. members, particularly Albertans, my have noticed the development of the Enoch Band. This is a proposed development involving half a million dollars on five square miles of band land. It is my view that Indian bands and Indian individuals should be fully prepared to help themselves by making optimum use of any assets they control. The government and the department can, and will play their part in providing seed funds, technical advice and managerial training. But the objectives of neither the Indian people nor the government will be achieved unless the emphasis on self-help is sustained.

I am seriously concerned about our making rapid progress toward self-reliance whether in the field of Indian housing, economic development, local government or education. It will not be achieved in any of these fields unless or until there is a diminished dependency on direct government subsidy.

In the area of claims, in the past year and particularly during the past few months we have been hearing a lot about land claims. We can expect to hear a lot more about them in the years to come. Most of these claims are the subject of longstanding grievance on the part of native groups, but the fact that they are emerging now in concrete form is the direct fruit of the government's policy of funding research on rights and treaties. That program began in earnest in 1970 and has resulted in comprehensive proposals for land settlement in those areas where native title was not previously extinguished and in a growing number of specific claims relating to certain treaties and the administration of the Indian Act.

To deal with this rapidly expanding activity the department has established an office of claims negotiation, as a branch separated from the Indian and Eskimo Affairs Program and the Northern Affairs Program. The executive director of this office, the Indian Claims Commissioner, and other government representatives concerned with

claims questions, during recent months have had intensive discussions with various native groups.

In the Yukon negotiations are continuing with the Council for Yukon Indians representing both status and non-status Indians there; in British Columbia there have been separate consultations with both the Union of British Columbia Indian Chiefs and with the Nishga Tribal Council about their land claims; in the Northwest Territories there have been separate ongoing discussions with the N.W.T. Indian Brotherhood and Innuit Tapirisat about how to approach land settlements there; in northern Quebec representatives of the department have sat in on negotiations between the Quebec authorities and representatives of the Indian and Innuit groups of the James Bay area.

The specific claims have given rise to discussions as well, and some of the issues are very difficult indeed because of the various interests involved. The department is currently reviewing the whole situation with a view to making certain changes in the claims process. I have already expressed my willingness and desire to discuss that process with authorized representatives of the native people.

● (2210)

In the area of relations with native associations, the government continues to attach the greatest importance to its relations with the native associations at national and regional levels. It was for this reason that on October 9 a group of ministers met with members of the executive council of the National Indian Brotherhood to discuss a number of questions of current interest. There will be additional meetings of this kind with the brotherhood—the next one is scheduled for early February. In the interim we are jointly considering the need for supportive services, perhaps in the form of a secretariat, to strengthen this consultative mechanism.

I am confident that improved communication will result from these efforts. Our initial meeting can be regarded as a prototype and forerunner of future consultations at ministerial level with the executive of the National Indian Brotherhood.

The government will be engaged in full consultation on all levels with the native people as we begin to work out the revisions to the Indian Act needed to bring it into line with the current needs and wishes of the people concerned. As you know, the government has funded the National Indian Brotherhood to prepare their recommendations on revisions to the Indian Act. We are looking forward to receiving recommendations in the near future. The government sees these consultations on the Indian Act as the major preoccupation and main focus of its efforts to develop mutually satisfactory relations with the native people, for their benefit and the benefit of Canadians generally.

During the first two months in my portfolio I have been greatly occupied with Indian affairs, but I have tried not to ignore the other areas of major responsibility. During the week of September 28 I made a wide ranging tour of the Yukon and the Northwest Territories where I welcomed the opportunity to meet members of the Territorial government and councils, representatives of native groups, hamlet councils, the press, and the public at large. In part this was a familiarization tour, but I also wished to learn at first hand about the major preoccupations of northerners at present.

In both territories there was a keen interest and some uneasiness about the major land claims that have been advanced. The native peoples have their own anxieties about the pace and direction of resource development, but other northern residents are just as concerned about possible adverse consequences of putting too much emphasis on native interests in land.

These concerns are linked to other impending events in the territories—the constitutional changes that were brought about during the last session of parliament, the forthcoming elections for the territorial councils, and the public inquiry which Judge Berger is carrying out for the federal government into the Canadian Arctic Gas Pipeline Limited application for pipeline right of way. All these developments are somewhat unsettling perhaps, but in the next year or so they should have the combined effect of setting both territories on a firm course toward a balanced development, based more than ever on the needs and aspirations of northerners themselves.

With regard to the matter of parks I should assure hon. members that the solid progress achieved in recent years in the development of national and historic parks and sites is continuing. New program initiatives for Parks Canada, introduced as "Byways and Special Places", have now been organized as the ARC program, Agreements for Recreation and Conservation. These initiatives complement the traditional national parks and national historic sites programs by introducing a system of linear parks based upon land or water routes important to Canada's history and displaying the best of our scenic resources.

The historic canals, for which my department assumed responsibility during the last two years, are the most obvious initial components of the ARC program in which the federal government has an existing responsibility. Initial reaction has been almost exclusively positive, and two programs will become realities shortly. I expect to bring an agreement to cabinet shortly which will provide for the development of the Rideau and Trent-Severn waterways jointly and co-operatively with Ontario. Other provinces are evaluating the program's concepts according to provincial priorities, and the interest is most encouraging.

Finally, I would mention that it is my intention, so far as resources permit, to accelerate the development of our national historic parks system over the next few years. Like my predecessor I regard the parks policy as one of the major elements in the expanding relationship between the federal and provincial governments, and as one that can contribute heavily to the furtherance of Canada's national wellbeing. In my view there is perhaps no better way to safeguard Canada's future than by doing all we can to conserve our natural and historic heritage from the past.

There is one final comment that I should like to make. I should like to put to rest some of the misconceptions and misunderstandings that various people seem to have about the departmental budget. Before assuming responsibility for Indian Affairs and Northern Development I had heard,

as I am sure many hon. members had, that Indian Affairs spent 60 per cent to 70 per cent of its budget on administration costs. I investigated these allegations and I can assure you that there is absolutely no foundation to them. I find that Indian and Eskimo affairs administrative costs represent approximately 7 per cent of the budget, and this figure compares favourably with that of the government as a whole.

Moreover, while Indian and Eskimo affairs expenditures have risen more than threefold in the past six years, the program's staff has remained almost at the same level it was six years ago. This means that our budget increases have not gone to hiring more civil servants but directly to expanding programs which benefit the Indian people. For 1974-75, 31 per cent of the budget was for education expenditures, 14 per cent for social services, 24 per cent for economic and community development—this includes $60 million which was managed directly by the bands themselves—and 23 per cent for capital expenditures on housing, schools, roads, etc. The final per cent is made up of treaty payments and payments to the superannuation account. The 93 per cent of the budget which is not spent on administration is spent on programs which directly benefit the Indian people.

The Department of Indian Affairs and Northern Development is a complex and interesting one and there are many other aspects upon which I could make additional comments this evening, but I believe these remarks will give some indication of the areas of interest and concern, and I will be interested at this point in hearing the comments and questions of my colleagues.

Mr. Orlikow: Madam Chairman, I rise to say a few words in place of my colleague, the hon. member for the Northwest Territories, who had to fulfill some speaking engagements in his constituency for which he had made arrangements a month or so ago, and which he could not change when we found out yesterday that this debate would take place today.

I was trying to calculate how many ministers in charge of Indian Affairs and Northern Development I have heard making Ministerial Maiden speeches since I came to this House 12 years ago, and it seemed to me that, with the exception of the six years that the former minister held this portfolio, we have had just about one minister each year. The same speech has been made, with very few changes, by every minister we have had. We have been told of the improvement each year, how much money was being spent, and that around some mythical corner most of the problems will disappear.

● (2220)

By coincidence, Madam Chairman, just today the House Leader of my party received a telegram from Grand Council Treaty No. 3 Indians at Kenora. I should like to read it into the record, not that what they say is necessarily correct but it is representative of what native people across Canada believe, and of what is true in general if not in this particular case. The telegram reads:

> —demand a no vote in tonight's vote to cut our capital projects. We wish to remind you that poor housing has been a factor creating unrest in our area for a number of years as recently as the occupation at Kenora this summer. Unless our requests are realized this discontentment will grow and grow until not a day will go by without violence and terror in northwestern Ontario. We will not be the victims of inflation fighting for the government. Our conditions must be improved not ignored. We look to you to support our people by defeating the government's motion tonight.

I believe they are wrong in thinking that the capital moneys to be provided for housing will be cut tonight or any other time, but they are not wrong in their feelings that Indian housing programs in this country have been and are a disaster.

A publication put out within the last month or so by Statistics Canada called "Perspective Canada" was the subject of an article in the Winnipeg *Free Press* on October 2, 1974, which read in part:

> Housing, one of the biggest concerns in recent Indian representations, seems to have actually shown a decline based on a three-fold rating of reserve homes as poor, fair or good.
>
> In 1971, Statistics Canada found that 25.4 per cent of families on reserves needed new houses. In 1965, 19.7 per cent were said to need new homes.
>
> Statistics also show that in 1971, 15.9 per cent of occupied houses needed major repairs. In 1960, 6.8 per cent were found to be in that state.
>
> The agency found that in 1971 51.7 per cent of frame houses and those other than log were good while 20.8 per cent were rated poor. Eight years earlier, 59.4 per cent were rated good and 12.9 per cent were considered poor.

The statistics showing the percentage of Indian houses without electric power and running water are even more sad to relate, Madam Chairman. Tonight the minister lectured us on how he was ready to co-operate and consult with the native people and their associations. If he would refer to the representations made to the Standing Committee on Indian Affairs and Northern Development by the National Indian Brotherhood a short time ago, he would find that they complain that they have little if any say in the kind of housing programs developed for the reserves.

In a statement made to the cabinet last April they pointed out that up until now government programs have failed because of inadequate funding, a piecemeal approach, and the historical and still present paternalistic approach. They pointed out that there was a backlog of at least 10,000 housing units in the Indian community, and that in the next five years this will increase to about 15,000 units. They asked that the department or Central Mortgage and Housing develop a program and allocate funds which they would use themselves, deciding where, how and when to build the houses required. They suggested a program spread over the next five years at a cost of something like 400 million.

What they are saying, Madam Chairman, is that they have had enough of the department telling them what to do, when to do it, and how to do it. They want to make the decisions themselves. I should like to hear the minister tell us what his department intends to do for the Indians of this country along these lines.

Having spent the bulk of my time speaking of the need for improved housing on the reserves, I want to spend a minute or two speaking about conditions in the city I represent. I am sure the minister knows that, according to Statistics Canada, the Indian population of my city has grown from 210 people in 1951 to over 5,000 in 1971.

The hon. member for Regina-Lake Centre says that this has made the slum landlords happy and wealthy, and that is true. I would be happy to take the minister and his deputy around the city of Winnipeg and show them how the native people live there. They would see the slums and hovels still in the core of the city, despite the efforts of the former minister and his officials.

There is a rapid influx of native people to the cities and they are living in the worst conditions imaginable. I should like to ask the minister what he proposes to do about native housing and when the native people will have something to say about the type of housing they are to get?

Mr. Buchanan: Madam Chairman, I should like the hon. member to know that I share his concern. I do not like the paternalistic approach, and in my opening remarks I tried to emphasize that the approach has to be a co-operative one.

There is no way that the direct grant subsidy housing is going to meet the housing needs of the Indian people. Madam Chairman, but there are many programs available that are not being capitalized on by the Indian people. The figure mentioned of $400 million over the next five years is not going to be realized through a direct grant program. On the other hand I do not find it a frightening figure if you tie it in with other programs. The hon. member mentioned substandard housing, that lacked plumbing and so on.

● (2230)

I have tried to visit all the reserves. I will try to visit those in the four western provinces, B.C. and northern Ontario on the next long week-end. I have already arranged a meeting with the band council of the Treaty 3 people to whom the hon. member referred.

The point is we must use other programs. Under one upgrading program we pay up to $5,000 for family homes if the family income is less than $6,000. Half that is forgiven as a grant, the other $2,500 must be repaid over about 20 years, I think. I discussed this program at one reserve I visited a couple of weeks ago. I was told that 60 out of 65 houses on the reserve did not have indoor plumbing. When I said that this program would be useful, and that repayments would be only $15 or $20 for the next 15 or 20 years, I was told, "This is not the customary way to do it". Somehow or other we must change these ideas, because there is no way we can help these people with straight grant in aid programs. If we want to help them, we must do it through consultation. Our approach must be cooperative and not paternalistic.

Mr. Orlikow: Madam Chairman, I have heard some of the things the minister said ever since coming here. I put a question on the order paper which was answered last week. If my memory serves me right, I asked how many people engaged by the Department of Indian Affairs are employed as teachers in secondary schools, in elementary schools and as teachers' aides. As I remember, the answer was 1576 people are so employed. Yesterday I entered a question on the order paper which has not yet been answered. It asks what percentage of those people are of Indian origin. I have not been given the answer, but if there are more than 50 I will buy the minister the best dinner one can buy in Ottawa.

Last week the hon. member for the Northwest Territories put on the order paper a detailed series of questions about the number of people employed by the department in the Northwest Territories at various levels, from senior specialist down to casual labourer. He also asked how many people are of native origin. The answer was a shocker, a disgrace. Excluding the people in the lowest paid category, those who are unskilled and untrained, the percentage is less than 5 per cent. That is an optimistic classification.

In short, less than 5 per cent of workers in any category are of native origin. If these people are not discriminated against, and I do not think they are, what an indictment this is of our educational system and of our attempt to bring these people into our society. If the minister really means what he says, let us see some action and hear less of the sort of preaching I have heard in my 12 years here.

Mr. Buchanan: Madam Chairman, I look forward to eating a steak dinner at the expense of the hon. member opposite.

Mr. Knowles (Winnipeg North Centre): Watch out, it may be hamburger with staphylococci.

Mr. Turner (Ottawa-Carleton): Take him to McDonald's.

Mr. Buchanan: I intend to run over a few figures. In the federal schools there are 1,480 elementary school teachers of which 151 are Indian people, so we are well above the hon. member's 50. There are 172 teacher aids, of whom 160 are Indian people. There are 2,064 other staff employed, of whom 603 are Indian people. In the band and school board employ, there are 175 social counsellors, assistant counsellors and home and school co-ordinators of whom 151 are Indian. Of child care workers, 26 out of 27 are Indian. Of teacher aides, 383 of 383 are Indian. Of native language instructors, 19 out of 19 are Indian. This means that of 4,320 people employed in the school system, 1,493 are Indian people.

Mr. Orlikow: I will stand by my promise. I will buy the minister his dinner.

Mr. Baker (Grenville-Carleton): Why don't you let Marc Lalonde cook it?

Mr. Orlikow: But I want to say this: I was not too far wrong. I never doubted for a moment that the caretakers in the school would be native people or that the untrained social workers would be native people or that the teachers' aides would be native people. I said there would not be more than 50 out of 1,500 teachers. The minister tells me there are 150, and so technically I am wrong.

I want to say, however, that if one takes into account the large number of Indian students who are now attending schools in all parts of Canada, not on reserves but in school divisions where there are virtually no native teachers, my percentage would not be too far wrong. Even to the extent that I was wrong, if we have one in 10 native teachers on the reserves, not in Winnipeg, not in LePas,

not in Kenora, not in Regina or Vancouver where large numbers of native children are going to school, that is not a hell of a thing to be proud of.

Mr. Turner (Ottawa-Carleton): Perhaps you'd better buy him a smoked meat on rye.

Mr. Buchanan: I share the hon. member's concern, and I think we are moving in the desired direction. I recall there were roughly 400 Indian students receiving university education when I was working as parliamentary secretary to my predecessor. Today the figure is in excess of 1,200. I am optimistic that, as many of these young people work their way through university, we shall find the ratio moving up very substantially. I look forward to the day when we can say that 100 per cent of the total represents native teachers.

Mr. Orlikow: Of course we are all happy that more Indian people are attending universities. Let me just summarize the statistics and I shall be finished. Among Indians and Inuits only 1.7 per cent are receiving a university education compared with 11.9 per cent nationally. So we have done one-tenth as well as for the rest of the population.

● (2240)

Miss MacDonald (Kingston and the Islands): Madam Chairman, may I say at the outset that I appreciated some of the new ventures that seem to accompany the new minister as he takes on this portfolio. Some of the statements he made certainly lead us to hope that there will be a new line of action within the department, one that is long overdue. We welcome his plans for integration of programs and incentives, and approve of them. I might say that at this point in time an effort is being made to place an emphasis on incentive and self-help, which is very commendable. But it has an underlying note to it which, as far as I am concerned, is questionable, that is, that it would be very easy to take a hard line and say that the native people have to help themselves to resolve their own difficulties, that if they just do that everything will be well.

That is not going to happen, and I should like to warn the minister that such an approach, carried to the extreme, could be detrimental to the cause of the native people, and that a heavy emphasis on incentives should not imply that unless they meet such and such a requirement they will not get any help from the government.

For example, the minister mentioned the Enoch band and the value of the land base that the Indians hold across the country. The fact is that the economic opportunities to develop the land base are not the same for all Indians across this country, just as they are not the same for all other Canadians. One cannot expect a band in northwestern Ontario, or in some northern community in the prairie provinces or Northwest Territories, to have the same economic opportunities as the Enoch band have possessed. They should not be placed in the same category, or even considered in this way.

While the minister assured us that the administration of his department accounts for only 7 per cent of the over-all estimates of his department, he will have to do a much better P.R. job in getting this story across not only to the native community but to Canadians as a whole. In view of the tremendous bureaucratic structure that the minister ranges over, 7 per cent of the over-all expenditure on administration seems to us to be somewhat out of context.

I want to raise a few questions in regard to housing. The housing situation has been mentioned on many occasions by native people who lack even the most basic amenities and shelter, by Indian leaders who have submitted countless briefs and proposals with little sign of response, by concerned Canadians everywhere who feel that the native housing situation constitutes a blatant act of discrimination in this country, and finally by officials of the department. The following quotation is not from the brief of the National Indian Brotherhood but are the words of the assistant deputy minister at a committee hearing on October 15. He said:

> We do know that the need exists in forthcoming years for somewhere in the vicinity of 20,000 homes for Indian people—20,000 houses in roughly the next five years.

He went on to comment on the amount allocated per house, and he said:

> Firstly, the quality of the shelter is not adequate because it is virtually an impossibility to build an adequate house for $10,000; and secondly, to cope with the quantum of the need it would be necessary for the government to appropriate a sum of money far in excess of the $27 million per annum which is voted today.

He went on to explain two other points. He said that "in the current fiscal year approximately 2,000 new units will be built and a further 900 renovated. A simple extrapolation would indicate that at this rate it is not a catching-up, it is a falling-behind situation". He also estimated the figure needed at $400 million to bring the housing situation up to par. So we are talking about an estimated need of 20,000 units, whereas this year we are building 2,000. We are talking about a total expenditure need of $400 million, whereas this year we are allocating $27 million, or approximately one-twentieth of the total need.

I know the minister said he is engaged in long-range building proposals and discussion with native leaders, but the situation is such that I do not believe we can rely on long-term planning solely on that basis. There is an emergency, a crisis situation, which exists now. This crisis situation is going to build bitterness, frustration and anger on the part of the native people; this will not be a long-term buildup, we will see it breaking out in the next few weeks, months or a year.

What emergency steps is the minister planning for this winter to cope with this crisis situation? What is he going to do now, in addition to these long-term programs, in the immediate weeks and months ahead to meet the demand of the people who will not have adequate housing this coming winter?

Mr. Buchanan: In relation to the earlier remarks of the hon. member for Kingston and the Islands, I hope I did not leave the impression that I was suggesting a sort of abandonment, because that certainly was not my thought. The emphasis I hope I made was on the idea of co-operation, jointly solving the problems of the Indian people.

On the question of priorities, I made myself rather unpopular with a group of Indians from northern Ontario

who were down recently asking for additional funds for their lunch program. This is a band which, according to my information, finds itself in the top 10 per cent economically of bands throughout the country. I suggested that I did not see how I could justify giving them additional funds in that area when there were so many other bands in the country who found themselves in very destitute conditions—bands in areas such as northern Saskatchewan and other parts of northern Ontario.

I feel strongly that we in this department should be moving in the direction of establishing priorities. There are some bands relatively well to do, and I do not think we should be providing them with anything like the same funding we are giving the more poor bands. This is the sort of rearranging of priorities I would like to see.

In regard to housing I think the 20,000 figure the hon. lady mentioned compares very closely with the figure suggested by the National Indian Brotherhood. As I said in my earlier remarks, I do not find that figure shocking if you look at it in combination with other programs. The hon. member mentioned 2,000 this year, and 700 or 800—I have forgotten the figure—for upgrading. The program of the native brotherhood proposed 4,000 over the next five years, or a total of 20,000. The 2,000 figure represents roughly half, so we are looking at a little better than double the funding.

If one looks outside the straight grants for housing at other programs, for instance we have been discussing senior citizens' homes, I think he will not find the construction of 4,000 units per annum over the next five years as being unreasonable or out of reach at all. This is something that I should like to move toward. This is the approach we should be taking.

Similarly in upgrading, I think we should be following the program of the Minister of State for Urban Affairs. I am convinced that the meld of these programs, plus the grants given in our department, will go a long way in the next five years in an attempt to bring the Indian housing program into reasonable condition.

● (2250)

Miss MacDonald (Kingston and the Islands): I asked what is to be done to provide for this winter to cover special necessities. That has not been answered. Can the minister tell me how this figure of $27 million for housing has been determined? Why is the amount limited to $27 million? Also can he tell me how the need has been established? On what basis are we to accept a figure of 20,000, 10,000 or 2,000 houses that are to be built this year and in the year ahead? To what areas are these to be allocated? Who makes that decision? How can we be sure that some of the areas most in need of housing will not be overlooked? How are these decisions reached?

In the remarks of the minister I have not heard anything about an adult training program which, it seems to me, would be of great help to the native people themselves. I wonder whether the minister has had discussions with his colleague, the Minister of Manpower and Immigration, with regard to the whole question of an on-site adult training program on every reservation where needed, so that the native people may be trained not only as carpenters—not everybody should be trained as carpenters if there is no work for them—but also as electricians, plumbers, and bookkeepers to keep the accounts in respect of everything that goes on in the band.

These people should be trained in all these fields, not only so that they may be able to carry on construction work on the reserves in order to make themselves more self-sufficient, but also to provide a pool of employment which could be used in other areas.

We have already heard that there is a shortage of 40,000 employees in Alberta. What has the department been doing in this past year to help the native people equip themselves for those 40,000 jobs? What is the department planning in the coming winter months to train the native people, so that they will be ready and available for jobs in the Athabasca oil sands when development starts next spring? The minister can talk about CMHC and the senior citizens' program, but what about integration with departments which train people to be self-employed and make a contribution both on the reserves and outside?

Mr. Buchanan: I was asked where these funds come from. The $27 million figure literally evolved as it was increased. Originally I think the amount was $1,500 per unit, then $5,000 per unit, then $8,500 per unit and now $10,000 odd. I should like to move away from the question of so much per unit.

Miss MacDonald (Kingston and the Islands): Apart from the concept of so much per subsidy, how do you determine the need each year? For instance when you say that 20,000 units are required, how do you determine in any one year that there will be only 2,000 built? How do you arrive at the 2,000 figures?

Mr. Buchanan: There have been studies on this, but basically I think the major restraint is financial, how much in additional funds can be squeezed out of my predecessor now the president of the Treasury Board, to be allocated to this program. I am hopeful that we can squeeze out something above the $27 million figure to which the hon. member referred a few moments ago, for the coming year.

As I said, I want to get away from this concept of so much per unit. We should be looking more in terms of funds going to band councils as regional housing authorities that are assuming more and more responsibility of the kind which the hon. member was asking about, for allocating priorities within their area. This is the direction in which I would like us to move so that it is the Indian people themselves who will be taking the responsibility in this regard. This is being done now in some areas. As I mentioned earlier, this is a subject on which I want to canvass later this month—and I am sure it will take many meetings—the representatives of the National Indian Brotherhood.

Let me get back for a moment to the way in which some of the Indian bands apply this program. The other day I was signing documents for the Fort Alexander band in Alberta, in the riding of the hon. member for Provencher. They had received an allocation of some $30,000. Instead of building three $10,000 homes they divided the whole amount. Six of their members came to me and asked me to sign their guarantee documents with CMHC because they

want to borrow $12,000 per unit. A $10,000 house is simply not adequate, and instead of building three inadequate $10,000 houses they will build six $17,000 houses. This is the direction which I would like to see more Indian bands and housing authorities taking.

The hon. member asked about manpower and what we are doing in the area of the oil sands. There is a program currently under way with the Great Canadian Oil Sands operation in McMurray where they are putting a group of people through a 16 week program. In addition, in combination with Alberta manpower, native students are being enrolled in the Alberta vocational centre in Fort McMurray so as to assist in training these people for jobs in the tar sands operation.

I mentioned earlier, when replying to the previous questioner, that there are roughly 1,200 native students taking university courses, and roughly another 8,800 in other forms of post secondary education, a lot of it vocational training of various kinds in community colleges, and so forth. We are not making the progress we would like to see, but we are certainly making far better progress than we made half a dozen years ago, and I hope that half a dozen years from now we will be infinitely better than we are doing now.

The Assistant Deputy Chairman: It being eleven o'clock, it is my duty to rise, report progress, and request leave to consider the bill again at the next sitting of the House.

Progress reported.

The Acting Speaker (Mrs. Morin): It being eleven o'clock, I leave the chair until tomorrow at 11 a.m.

At 11 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Friday, October 25, 1974

The House met at 11 a.m.

[*English*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-7, to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes, to which the concurrence of this House is desired.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT

TABLING OF REPORT ON ACCIDENT TO AIRCRAFT ON FEBRUARY 27, 1974

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I wish to table copies in both official languages of the report on the February 27, 1974 accident to Saberliner CF-BRL.

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COMMUNICATIONS

TABLING OF CORRESPONDENCE WITH PROVINCIAL MINISTERS

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table correspondence exchanged with a number of provincial communications ministers.

* * *

[*English*]

BUSINESS OF THE HOUSE

PROCEDURE ON STATEMENT BY MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, in the House order under which we are considering supply during these three days it was provided that there should be no ministerial statements on motions. I have had some discussions with representatives of the other parties, and because of the particular circumstances affecting the health of the Canadian people it was agreed unanimously that the Minister of National Health and Welfare (Mr. Lalonde) should be given the opportunity of making a statement, followed by the usual responses from the other parties. I would ask whether this is agreeable in order that the minister might make his statement now?

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, earlier this week in answer to questions put by the opposition in respect of this very serious matter the minister saw fit to give some fairly flippant replies. Now, after he has given us a cooking lesson and got his fingers burned in the process, he has decided to become serious.

Some hon. Members: Hear, hear!

● (1110)

An hon. Member: Yes, or no!

Mr. Speaker: Under the terms of the special order under which we are considering supply, the operation of Standing Order 52 is suspended. Accordingly, if a statement on motions is to be made it would have to be on the basis of unanimous consent. Either there is, or there is not such consent; the matter cannot be debated.

Mr. Baker (Grenville-Carleton): The statement the minister proposed to make was delivered to the hon. member for St. John's East (Mr. McGrath) at 10.50 this morning and, quite frankly, we have had no opportunity to study this matter, one which we believe to be serious and which the minister is finally treating as serious. However, we are prepared to give consent to this statement being made at two o'clock this afternoon, which would give us an opportunity to study the matter.

Mr. Stanley Knowles (Winnipeg North Centre): Because of the importance of this issue we in this party were prepared to hear the statement now and to make a response from this side right away. But of course, if the official opposition is not willing that this be done now but is disposed to give unanimous consent to the statement being made at two o'clock we will agree.

[*Translation*]

Mr. Eudore Allard (Rimouski): If this motion has received the unanimous consent of the House, Mr. Speaker, it is because we feel that this issue, which concerns the public health area, is of tremendous importance. We are willing to let the hon. minister make his statement.

[*English*]

Mr. Speaker: Is it agreed that the House shall revert to motions at two o'clock in order to allow the minister to make a statement on motions?

Some hon. Members: Agreed.

Mr. Lalonde: On a question of privilege. I should like to point out to the hon. member who is speaking for the

opposition that after the discussion took place between the representatives of the parties I sought to get in touch with the hon. member immediately by telephone to read over the text of the statement. I instructed my office to do this and they did so but the hon. member was not in his office. We did everything we could to reach him and read the statement over to his secretary. That was at 10.30.

Some hon. Members: Big deal!

Mr. Baker (Grenville-Carleton): On the question of privilege, if the minister really regards this matter as being a serious one he ought not to have any untoward objection to the opposition taking time for the study which the minister himself seems to feel the subject deserves. I think the House and the country owes a vote of thanks to Mrs. Plumptre who finally brought the minister to his senses.

Mr. Turner (Ottawa-Carleton): That's a real switch!

Mr. Speaker: The House has now agreed that this matter be proceeded with at two o'clock. We really should refrain from commenting on the subject matter.

Mr. McGrath: Mr. Speaker, I rise on a question of privilege. There seems to be some discrepancy between the minister's version and the one on this side. A call was received by my office at twenty minutes to eleven. I was not present when the call came in. The statement arrived in my office at ten minutes to eleven. It is customary in this House for ministers to give at least an hour's notice of statements. All I can say is that we wanted an opportunity to examine the statements made during the question period since last Monday and to examine the minister's statement in the context of his replies, some of which were flippant and irresponsible.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, on a point of order, may I draw the attention of Your Honour and this House to a distinguished Canadian in our gallery, the mayor of Oak Bay. He is sitting in the gallery opposite.

An hon. Member: On the wrong side of the House.

* * *

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved the first reading of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade.

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

[Mr. Lalonde.]

MOTOR VEHICLE TIRE SAFETY ACT

MEASURE TO ESTABLISH SAFETY STANDARDS FOR TIRES

Hon. Jean Marchand (Minister of Transport) moved the first reading of Bill S-8 (from the Senate) respecting the use of national safety marks in relation to motor vehicle tires and to provide for safety standards for certain motor vehicle tires imported into or exported from Canada or sent or conveyed from one province to another.

Motion agreed to, and bill read the first time.

ORAL QUESTION PERIOD

[*English*]

PENITENTIARIES

ST. VINCENT DE PAUL—ESCAPE OF FIVE INMATES—ALLEGED WARNING OF ATTEMPT TO ESCAPE—GOVERNMENT ACTION

Mr. Sean O'Sullivan (Hamilton-Wentworth): My question, Mr. Speaker, is directed to the Solicitor General and arises out of the reply given in this chamber yesterday by the minister when I asked him about the escape of five extremely dangerous inmates from Laval security institution. The minister said at that time:

> I might say that we had put out special orders in respect of these men some time ago . . . For some reason or other these orders I had given, and which had been given by the Commissioner of Penitentiaries, were not followed.

Can the Solicitor General advise us whether these special instructions concerning these extremely dangerous inmates were given by him, because as far back as three weeks ago the minister and his officials had been warned by the Quebec provincial police that these inmates, three of whom had already previously escaped, would make another attempt to do so?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I was never advised by the Quebec provincial police, nor was the Commissioner of Penitentiaries. When I heard yesterday that the Quebec provincial police had advised somebody in the service, I immediately checked to find out who in the Quebec provincial police advised the penitentiary service, and I want to know whom they advised. I only found that out yesterday afternoon. I am waiting for a report on that particular point. If in fact the Quebec provincial police did advise our officials, and it seems they did, this means that there is even more negligence on the part of someone in the system, but I was not advised, and the people in Ottawa were not advised.

Mr. O'Sullivan: Mr. Speaker, a supplementary to the minister who speaks about negligence in the system. The minister has now admitted that the Quebec provincial police some three weeks ago warned that this escape would be attempted. The minister now admits he was not advised by his officials.

Some hon. Members: Oh, oh!

Mr. O'Sullivan: Yesterday he admitted in the House that officials did not carry out his instructions to watch these men with extra caution. Now that the minister is not being advised by officials of the department about what is going on in his ministry and it is now clear that his instructions to his officials are not being carried out, is the minister going to do the honourable thing and submit his resignation?

● (1120)

Some hon. Members: Oh, oh!

Mr. Allmand: Mr. Speaker, the hon. member is distorting what I said and also what he has been reading in the press. I said that I have been advised that the Quebec provincial police advised people in my department that there would be an escape. I checked into that. I want to know who gave the advice and who received the advice. I did not get that advice and the Commissioner of Penitentiaries did not get it. On the other point, Mr. Speaker, as with many things that happen I am waiting for a report on the whole issue before I accuse any particular individual of negligence. It seems to me there is negligence somewhere. There has to be when you have such flagrant violations of the ordinary regulations. We will get a report, Mr. Speaker, and then action will be taken.

ST. VINCENT DE PAUL—INQUIRY AS TO SECURITY CHECKS

Mr. John Gilbert (Broadview): Mr. Speaker, I have a supplementary question for the Solicitor General. Is there a security check of visitors to the St. Vincent de Paul Penitentiary and, in particular, was there a security check with regard to the woman who is alleged to have smuggled guns into the prison to escapees from the penitentiary?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, in general there are security checks of all visitors into the penitentiary. When I enter a penitentiary there is a check on me and people with me. For some reason, and this is the subject of the investigation, there was not a proper check or no check at all on the visitors who went into St. Vincent de Paul Laval maximum security institution the other day. I want to find out why that check was not made and why instructions were not properly given.

* * *

HEALTH

SUGGESTED INCREASE IN NUMBER OF MEAT INSPECTORS—POSSIBILITY OF MORE SEVERE PENALTIES FOR OFFENCES AGAINST REGULATIONS CONCERNING MEAT

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of National Health and Welfare and is prompted by the growing body of evidence that individuals may very well be eating ground beef contaminated from coli or staphyloccocci.

My question is further prompted by the very startling revelation that of the 100 inspectors of the Food and Drug Division available to enforce 184 pages of regulations under the Food and Drug Act, less than ten man years of those inspectors are used in the meat inspection branch to examine the thousands of meat departments of supermarkets for infection in meat. May I ask the minister what he is doing to assure Canadians that he will either change the regulations, change the law or immediately increase the inspection capability?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for his question. As I told him yesterday, I have given instructions to increase the inspection and improve the standards. I expect regulations to be promulgated to improve standards in the very near future. This will be the result of consultations that have already taken place with private industry and the various departments of the government. At the present time, over 245 people are assigned to food programs in the Field Operation Directorate of my department. I have given instructions to immediately assign 30 of these people in the field to work exclusively on meat samples across the country. This would be in addition to the 1,255 meat inspectors of the Department of Agriculture and the 195 inspectors in the Department of Consumer and Corporate Affairs involved in various aspects of food inspection. It should also be noted that provincial and municipal governments also have inspectors who are involved in food inspection. This has all to be kept in perspective. Canada has a food inspection program that compares favourably with any other country and I intend to keep it that way.

Mr. McGrath: Mr. Speaker, we were just given a sneak preview of the statement which the minister is going to give by consent at two o'clock. Even at that, he has further startled the country by telling us that we now have only 30 inspectors. That is not even enough for the city of Toronto. Notwithstanding the revelations contained in the minister's reply, will he now consult his colleague, the Minister of Justice, to bring in more severe penalties and wider publication of those penalties as a further means of ensuring that Canadians will not eat contaminated beef.

Mr. Lalonde: Mr. Speaker, I remind hon. members that the total number of inspectors is not 30 but 1,255, plus 95, plus all those in the provinces and municipalities who are also doing inspection. As to the hon. member's question, I suggest he wait for the new regulations concerning standards, which I expect will soon be promulgated, and see what they contain. As far as publicity, court cases are not conducted in Star Chambers. They are conducted in open courts in this country. I am afraid we do not control the media. That coverage is provided by the media generally and is not something we do. We do not hold these court cases in Star Chambers.

Mr. McGrath: Mr. Speaker, I am sure the minister is not deliberately trying to mislead the House—

Some hon. Members: Oh, oh!

Mr. McGrath: —just as I am sure the minister did not deliberately mislead the House when he gave those misleading replies to questions earlier this week. The minister suggested that there are 1,255 inspectors in the Department of Agriculture, when he knows full well that they do not carry out inspection at the retail level but at the

packing house level. The fact is, the minister has not assured the House—

Some hon. Members: Order, order.

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

Mr. Broadbent: Mr. Speaker, I rise on a point of order. I suggest that we should revert to motions.

Some hon. Members: Hear, hear!

Mr. Broadbent: The New Democratic Party, like the Conservative party got the statement at about 10.30. We were prepared to respond responsibly and seriously to what we regard as misadministration by the government. We had the information. We did not try to have it both ways, by calling for a delay in House proceedings until two o'clock and then proceeding with questions. I suggest that the Conservative party ought to agree to our reverting to motions so that the minister can finish making the statement he has half made already. Then, let the hon. member for St. John's East make his comments, if he is prepared. I think he could do that. Let us do that, instead of using up one hour this afternoon.

Some hon. Members: Hear, hear!

Mr. McGrath: On the same point of order, Mr. Speaker, the hon. member for Oshawa-Whitby is trying to extricate himself from an embarrassing position. He did not think this matter was sufficiently urgent to be raised in the House until yesterday. The opposition still suggests that we need adequate time to examine the minister's statement. Considering the replies he gave earlier this week, we feel that our original contention that the statement should be made at two o'clock should stand.

* * *

[*Translation*]

AGRICULTURE

BEEF CATTLE—REQUEST FOR AID TO PRODUCERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I feel the House should forget about carcasses and proceed to live cattle.

I have a question for the Minister of Agriculture. The minister is certainly aware of the extremely disastrous situation resulting from the fact that cattle producers are being offered for their production prices which amount to 25 per cent of their costs. Does the minister consider this matter as urgent and does he intend to introduce measures shortly to help these producers cope with their difficulties?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I said earlier this week we are considering doing something. The hon. member must be patient for a little longer. There are five provinces which now have programs. These are based on the federal stabilization program to assist the beef raisers in those provinces which have made the announcements. The programs are based on our stabilization program under which we guarantee 90 per cent of production costs over a five-year period. We are still being asked by the provinces to share in the programs they have initiated. Some of these programs are very different. It is very difficult to work out a cost sharing arrangement for some of the programs they have said they are going to use and, in fact, have put into force for the people in their provinces. We are trying to work out something for Canadian beef producers that will coincide with what the provinces are doing.

● (1130)

[*Translation*]

Mr. Lambert (Bellechasse): As Quebec cattle raisers seem to be completely dissatisfied with the proposals of the provincial Minister of Agriculture, does the minister consider these satisfactory or will he bring in alternative proposals so as to maintain this production and meet the country's requirements?

[*English*]

Mr. Whelan: Mr. Speaker, one of the main concerns is that we must keep the production. If we lose that, it will cost the consumers much more in the months and years ahead. It takes four years to get back into beef production once you get out of it. We are all concerned about that. Some of the provincial programs are very good. The program which the province of Quebec has put in to supplement the beef stabilization program compares with that of any other province. If the hon. member will study the situation, he will see that it is one of the best initiated by any province. That does not mean we are not going to do anything. We will be making a proposal next week.

[*Translation*]

BEEF CATTLE—REQUEST FOR REVIEW OF STABILIZATION PROGRAM

Mr. Adrien Lambert (Bellechasse): As this situation is serious, is the minister willing to revise the federal government compensation standards because of the high rise in production costs due to the increase not only in the cost of feed grain but also of various other similar products?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are reviewing the stabilization program mainly because, as the hon. member has said, of the extra costs of feeding beef cattle and other livestock in this country.

* * *

ENVIRONMENTAL AFFAIRS

CONTAMINATION OF WATER SUPPLY OF NORTHERN COMMUNITIES—LEAKAGE OF OIL FROM STORAGE TANKS

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is for the Minister of the Environment. I wish to bring to the minister's attention that most of the isolated communities in northern Manitoba are located on the shores of rivers and lakes. Most of these communities depend on the water in these lakes and rivers for their water supply,

drawn mostly by pail from the shore. As there is no garbage disposal in any of these places garbage is dumped on the river and lake shore. What measures are being taken to correct this situation in most of our northern communities?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, that is a very general question. Possibly the hon. member can spell out the specific problems to which he is referring. There are plans whereby the Department of the Environment, in co-operation with the provinces, can undertake baseline studies of some of the environmental problems of certain regions. I would indeed be happy to look into anything about which the hon. member may want more information.

Mr. Smith (Churchill): Mr. Speaker, I will be more specific. The majority of the isolated communities in northern Manitoba have their fuel oil delivered in the winter which is stored in large tanks, in some cases up to 50,000 and 60,000 gallons. Many of these facilities are not handled in the proper way. There have been several large oil spills in many of the communities which have contaminated the water supply. Is any action being taken to protect these tanks with dykes which, I believe, is the law of this country?

Mrs. Sauvé: Mr. Speaker, the transportation of oil and the security safeguards come under the Department of Transport. The environmental aspects are under general regulations which we have published in order to ensure that these activities are carried on in such a way that the environment is protected. We do, of course, have contingency plans for any kind of accident which might occur. If there is any new danger which the hon. member knows of, we will be glad to look into it in order to ascertain whether further regulations need to be considered.

* * *

COMBINES

REASON FOR FAILURE TO HAVE A COMMITTEE STUDY SUBJECT MATTER

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Acting Prime Minister. In view of the fact this House has been and is again about to consider legislation and policy in respect of commercial matters in this country as well as such matters as competition policy and combines legislation, will the Acting Prime Minister indicate whether the committee sitting in the other place to review combines legislation in Canada is doing so at the request of the government? If so, for what purpose?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have very little influence upon the other place. I think they have done this on their own initiative as being a matter of importance to the country. It certainly was not done at the behest of the government.

Mr. Lawrence: In the minister's role as Acting Prime Minister, can he indicate why it is preferable, if it is preferable, to have a committee of the other place review combines legislation and related subjects and not have such a deep seated subject matter, when we are dealing with such legislation, to have it referred to a committee of this House?

Mr. Sharp: Mr. Speaker, if the House will co-operate with the government, the combines investigation bill which is now before the House could be referred to the standing committee on Monday.

* * *

TRANSPORT

PROPOSED CONSTRUCTION OF HIGH SPEED RAIL LINK BETWEEN OTTAWA AND MONTREAL—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Transport. Was the decision to build a high speed rail link between Ottawa and Montreal for the 1976 Olympic Games delayed because the matter was under review by his ministry? If so, does the minister not feel it is probably too late at this point to have this project completed on time?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I read something about that in this morning's *Gazette*. However, I must say that a formal proposal was never submitted to me for an LRC train between Montreal and Ottawa in relation to the Olympics. We have the turbo train, the ordinary train, STOL, other aircraft travelling between Ottawa and Montreal as well as highways. Therefore, I do not feel we are in a bad position as far as the Olympics are concerned.

Mr. MacKay: Mr. Speaker, I thank the minister for his answer. However, will he not agree that the existing rail link between Ottawa and Montreal is hardly efficient or fast enough for this modern day and age and there will be a lot of delay as well as a needless loss of revenue for the city of Ottawa because there is not a proper rail link between this city and Montreal?

Mr. Marchand (Langelier): Mr. Speaker, I discussed the problem with CPR because they are interested in this new LRC; light, rapid and comfortable train. It was not at all in relationship to the Olympics. They are interested and I think we are going to support the project.

* * *

● (1140)

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—REQUEST FOR STATEMENT OF GOVERNMENT POSITION AND ATTITUDE TOWARDS WORLD FOOD BANK

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the great importance of, and the wide public interest in, the world food conference which begins, I think, on November 3 in Rome, would the minister undertake to make a statement to the House before he leaves for the conference setting out what initiatives the government

proposes to put before the conference, and in particular what Canada's attitude is toward a world food bank?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will certainly give consideration to the suggestion of the hon. member. I am torn between the dilemma of giving the greatest possible information to members of the House before going to the conference, and at the same time respecting the conference itself in regard to outlining our policies, keeping in mind also the possible impact they might have at the conference itself. However, I will certainly consider the suggestion of the hon. member and do my very best.

Mr. Brewin: A supplementary question, Mr. Speaker. When the minister is giving consideration to this matter, would he take into account that it is highly important that the whole public of Canada be aware of the importance of this conference, and that a statement by the minister in the House on the general principles that he will be advancing—we are not asking him for the details—should be put before the House prior to the conference taking place?

Mr. MacEachen: Mr. Speaker, I thank the hon. member for that suggestion and I will try and abide by it if at all possible.

* * *

EXTERNAL AFFAIRS

INCARCERATION OF MR. FIEGER IN MEXICO—ALLEGATIONS OF BRUTALITY—REQUEST FOR INDEPENDENT INVESTIGATION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a question but before doing so may I personally thank him for interviewing Mr. Fieger of Calgary regarding the situation in Mexico. May I preface my question by saying that in asking the question I am not endorsing what led to the alleged charges, but I am concerned to know whether Les Fieger has been charged with an offence, and if he has, whether if he was found guilty sentence has been passed. He has been held in custody since November 25, 1973.

The minister knows the facts. It was alleged that Mr. Fieger was held in Mexico without charge, without trial and without sentence. If he is found guilty of the charge it is a serious matter. I also wish the minister would give us some information about conditions because of alleged brutality which occurred while he was in custody.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I should like to check out my memory on the state of the judicial proceedings and I will advise the hon. member later. With regard to the alleged maltreatment of Mr. Fieger in a Mexican jail, we brought this allegation to the attention of the Mexican authorities and at our request an investigation was held. It was reported that there was no evidence of maltreatment.

I did meet Mr. Fieger in September, I believe, and at that time I read a letter that his son had sent to his father whom I met. At that time, as I recollect, the letter stated

that there was no evidence of maltreatment as attested to by the inmate himself. As for the other points, I will get the information and provide it to the hon. member.

Mr. Woolliams: Mr. Speaker, may I put a further question to the minister. I have a copy of the letter he refers to, but the alleged brutality took place before the report was made to the former minister of external affairs. The minister says there was an investigation, but the investigation was conducted by Mexican authorities, not Canadian authorities. The right hon. member for Prince Albert also asked the minister about this matter, and in view of the conflict between the Mexican authorities, and in view of the fact that mail has to be smuggled out of the jail—the inmates pay for their own keep or they do not eat—would the minister agree that an independent group of Canadians should be allowed to investigate the whole matter? According to the United Nations Declaration of Human Rights, whatever the facts are, if a Canadian is incarcerated in the jail of another country he should be treated with the same kind of dignity we would treat other citizens who found themselves in the same situation in Canada.

Mr. MacEachen: Mr. Speaker, I believe the standard that has to be applied, presumably in all institutions, is that inmates, regardless of origin, should be treated alike. It would not be possible for us to implant into another country practices that we have in this country. The suggestion that we have an independent inquiry into conditions in Mexican jails in order to satisfy ourselves would probably be resisted by any independent sovereign nation, including Canada if another country suggested the same thing. I hesitate to propose a policy or practice that would, by its very nature, be bound to fail.

Mr. Speaker: The hon. member may put a final supplementary.

Mr. Woolliams: Thank you, Mr. Speaker; this matter is of importance. In some respects I agree with the minister that we should not interfere with a sovereign state, but Mexico belongs to the United Nations and should adhere to the Declaration of Human Rights. Since there is strong evidence of maltreatment in this case, with money being taken from the father to pay for lawyers and food, I would ask the minister whether he would take up the matter with the United Nations or with the appropriate department of external affairs in Mexico, so as to ensure that conditions are reasonable, dignified and humane.

Mr. MacEachen: Mr. Speaker, there have been exchanges between my department and the ambassador of Mexico in Canada. I am sure that my hon. friend's representations will also be noted by the ambassador.

* * *

[Translation]

THE CANADIAN ECONOMY

ECONOMIC STAGNATION IN CONSTITUENCY OF DRUMMOND—REQUEST FOR FEDERAL AID

Mr. Yvon Pinard (Drummond): Mr. Speaker, I congratulate you on your recent appointment.

I now wish to put a question to the Minister of Regional Economic Expansion. The most recent federal statistics published by the Department of National Revenue reveal that the main cities in central Quebec, located on the Montreal, Quebec, Trois-Rivières and Sherbrooke axis, have the lowest income in Canada; more specifically, Drummondville, in the riding I have the honour of representing, ranks third, Granby fourth, Saint-Hyacinthe sixth and Victoriaville seventh. To enable those important cities to lose that dubious honour and to allow their citizens to fight inflation more successfully, does the department intend to take special measures in the near future to increase its help to that important area whose good industrial potential is great, and see that industries, as diversified as possible, and capable of paying better salaries, move in as soon as possible?

● (1150)

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I think I got the question out of all that. The answer, of course, is that—

An hon. Member: Is the answer yes or no?

Mr. Jamieson: Yes.

Some hon. Members: Hear, hear!

Mr. Jamieson: Mr. Speaker, my recollection is that something of the order of $4.5 million or so has been spent in that area already in addition to other support services. Of course, we will continue to recognize the facts the hon. member has stated with regard to the necessity of improving employment and increasing wages.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—POSSIBLE INCREASE IN FUNDING IN VIEW OF PROSPECTIVE HIGH UNEMPLOYMENT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I should like to direct my question to the Acting Prime Minister. On October 22 the Minister of Manpower and Immigration admitted that the government forecast the possibility of having to attend to increasing unemployment this winter. Could the Acting Prime Minister advise whether the government is presently acting on a basis of urgency to determine how the $80 million LIP fund can be increased to help meet the expected widespread high unemployment?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker.

Mr. Fraser: Mr. Speaker, could the Acting Prime Minister then explain why a confidential memo has been circulated to Canadian manpower regional headquarters asking for a most urgent response to an analysis of how many more local initiative programs are needed to counteract high unemployment?

Mr. Sharp: Mr. Speaker, I think that is a useful undertaking. I can assure the hon. member, however, that an increase in that amount is not now being considered by the government. It may be considered in the future but it is not being considered now.

Mr. Fraser: Mr. Speaker, I should like to ask whether the Acting Prime Minister's answer was meant to convey to this House that until reports come back from the manpower centres the government is not going to make a decision as to what extent, if at all, LIP will be increased, or is he telling this House now that there is not going to be any increase in the LIP allotment in the foreseeable future? I want the hon. gentleman to be completely clear with the House on this point.

Mr. Sharp: Mr. Speaker, I regret to say that I cannot anticipate what policy changes may be made by the government. If they are made they will be announced. I would never say that we will never increase the appropriation for any program. The government is taking every measure it can to deal with present unemployment and the unemployment of the future. Whether LIP is going to be increased is a matter for decision. It may or may not be.

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ENVIRONMENTAL AFFAIRS

GARRISON DAM PROJECT—SUGGESTED REFERENCE TO INTERNATIONAL JOINT COMMISSION

Mr. Dean Whiteway (Selkirk): Mr. Speaker, in view of the statement by the Minister of the Environment on October 18 in which she said that "Any matter which arises between Canada and the United States concerning trans-boundary waters is dealt with through the International Joint Commission", could the minister advise the House when the Garrison dispute will be referred to the International Joint Commission?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the hon. member probably knows that in the case of the Garrison diversion project Mr. Peterson of the United States has asked for a moratorium. The hon. member will realize, of course, that a moratorium does not mean the project will not take place, but Mr. Peterson's statement is of enormous moral value, and in light of this we are continuing to let the United States know that we are opposed to this project. We are asking a lot of technical questions concerning it.

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EXTERNAL AFFAIRS

ALLEGED ACTION BY UNITED STATES BORDER PATROL AGAINST CANADIAN CITIZEN—REQUEST FOR INVESTIGATION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, on Tuesday, October 1, I asked the Secretary of State for External Affairs about an incident that occurred south of Estevan, Saskatchewan, in which a Canadian citizen, a resident of Saskatchewan, was apprehended on Canadian

soil by a U.S. border patrol officer. Can the minister now give us a report on that incident?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, my department has investigated this matter and has concluded that it may be that Mr. Gross may well have been improperly fined by the United States border patrol on September 29. It is our understanding that Mr. Gross landed his aircraft entirely on the Canadian side of a grass landing strip which was along the 49th parallel near Noonan, North Dakota. We understand that he was subsequently instructed to approach the United States border patrol vehicle, and in doing so he crossed into United States territory. He was then fined for having failed to follow United States landing regulations.

Some hon. Members: Oh, oh!

Mr. MacEachen: In our view the issue in this case is that, presuming Mr. Gross landed on the Canadian side of the strip which straddles the border, the United States authorities would not have the right to fine him for failure to comply with United States regulations. The only regulations that would be appropriate to apply to a Canadian aircraft piloted by a Canadian that had not entered United States territory and, in particular, which had landed on Canadian territory would be Canadian regulations. In these circumstances, I have instructed my department to deliver a formal note to the United States Embassy in Ottawa requesting that the United States authorities further investigate this matter.

Mr. Benjamin: Mr. Speaker, in light of the report by the minister and information available to both of us and many others, will the minister in addition to asking the United States to make further investigation request the United States authorities to refund the fine levied against Mr. Gross and reimburse him for expenses incurred as a result of the incident, and request that an apology be given Mr. Gross by the border patrol officer concerned and the government of the United States? I would submit also that Canada is entitled to an apology from the government of the United States.

Mr. MacEachen: Mr. Speaker, assuming that the circumstances I have described are confirmed by further investigation I would expect that United States authorities would make appropriate redress to Mr. Gross.

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[Translation]

HOUSING

SUGGESTED REMOVAL OF TAX ON BUILDING MATERIALS AND LOWER INTEREST RATES

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is for the Minister of State for Urban Affairs.

The minister admitted plainly yesterday during the debate on his estimates that the government cannot cope with the existing problems, which is no news, because it has been a long time since the Canadian people have known traditional parties cannot solve their economic problems. He went on to add that he would welcome all suggestions.

I have two questions. Is he prepared to abolish the 12 per cent tax on building materials and to reduce to 3 per cent the mortgage interest which is now around 13 or 14 per cent? If he heeds my suggestions, they might well be a great incentive in housing.

Mr. Pierre De Bané (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I note the hon. member's representations.

* * *

[English]

CONSUMER AFFAIRS

GOVERNMENT POLICY WITH REGARD TO INDEPENDENT GASOLINE RETAILERS—ASSURANCE OF SUPPLY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, is the Minister of Consumer and Corporate Affairs aware of current pricing practices in the retail petroleum field which are making it increasingly difficult for many discount or non-brand firms to continue in business and, if so, is it government policy to aid and abet major oil companies in what may be a clean-up of the industry, to use terminology that is often used, is it in short, government policy to have fewer discount or non-brand firms active in the retail gasoline field?

[Translation]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): The answer is no, Mr. Speaker. I would inform the hon. member that if he feels the Combines Investigation Act has been violated, I would appreciate his informing the director so that the latter may act according to law.

● (1200)

[English]

Mr. Stevens: With sales of discount or non-brand gasoline in Ontario having already been cut by half so that now they constitute 15 per cent of the retail market compared to 30 per cent a few months ago, would the minister tell us whether he has discussed this situation with the Minister of Energy, Mines and Resources with a view to ensuring a continuing supply of fuel to the independent distributors at competitive wholesale prices?

[Translation]

Mr. Ouellet: Mr. Speaker, the Combines Investigation Act provides that the director shall hold an inquiry every time he has reason to believe there has been a violation. I am convinced the hon. member's remarks will be brought to his attention, and he will act accordingly.

[*English*]

POST OFFICE

AUTOMATED PLANT AT CALGARY—SUGGESTED ESTABLISHMENT OF PERMANENT MANPOWER CONSULTATIVE COMMITTEE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. It arises from the opening of the new automated plant at Calgary last Tuesday. I thank the hon. gentleman for making it possible for me to be present on that occasion. In view of the obviously low level of morale in this plant and the minister's expressed concern for upgrading the role of manpower as opposed to the machine in these new postal units, would he use his authority both in this facility and in other automated offices as they go on stream to establish a permanent manpower consultative committee so that matters which give rise to irritation can be dealt with as they occur?

Hon. Bryce Mackasey (Postmaster General): Yes,Mr. Speaker. I might say I enjoyed the company of the hon. gentleman. I am aware of the problems to which he referred. There was a maximum degree of consultation before the opening of the automated process in Calgary. There is some evidence that the results of that consultation were subsequently reduced. Instructions have already gone out to the post office to re-introduce the process of consultation to the same degree as it existed previously.

Mr. Dinsdale: One of the obvious causes of complaint was the refusal to open the cafeteria during the "graveyard shift" that is, from 12 p.m. to 8 a.m. and since the Treasury Board is involved in this decision would the hon. gentleman speak to his deskmate to see whether he can persuade him to join the Postmaster General's crusade to upgrade the quality of life and service in these new automated plants?

Mr. Mackasey: Mr. Speaker, having known the President of the Treasury Board for ten years I can say that one of his characteristics is that he is always hungry. He would be very receptive, I think, to the concept of continuing to keep the cafeteria open during the "graveyard shift", provided, of course, there are not good reasons for not having done so. I might say the most pressing problem we have in Calgary is that of increasing the staff. We have, in consultation with my hon. friend, arrived at a streamlined procedure in order to meet this difficulty.

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ENERGY

NATURAL GAS DISCOVERY OFF COAST OF LABRADOR—INQUIRY AS TO COMMERCIAL POSSIBILITIES

Mr. Ross Milne (Peel-Dufferin-Simcoe): A question through you, Mr. Speaker, to the Minister of Energy, Mines and Resources. Very recently there was a second discovery of natural gas off the coast of Labrador reported by Eastcan. I should like the minister to inform the House how important this discovery is and whether it is of commercial significance?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I confirm that there has indeed been a find between 40 and 60 miles from the Labrador coast off the Hamilton Inlet. It would be too early at this stage to describe either this or the earlier find as being commercial in themselves, but they do indicate extensive shows of hydrocarbon and a great possibility of a gas field there. We are anticipating a further announcement of good news from the east coast in the near future.

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REGIONAL ECONOMIC EXPANSION

DEVELOPMENT OF LOWER CHURCHILL AND CONSTRUCTION OF TUNNEL FROM LABRADOR TO NEWFOUNDLAND—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, a supplementary to the Minister of Regional Economic Expansion with regard to another form of energy. What progress is being made in consultation with the provinces with regard to the development of the Lower Churchill and particularly the funding with regard to the possible excavation of a tunnel to bring the cable from Labrador to Newfoundland.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I talked with the the new minister of intergovernmental affairs in Newfoundland two weeks ago. I expect that he and some of his colleagues will be in Ottawa next week for meetings between myself and the Minister of Energy, Mines and Resources. The whole question of the feasibility study involving the Lower Churchill should be completed by the federal-provincial committee within a couple of weeks. This will also include an assessment both of the feasibility of the tunnel and the type of tunnel which ought to be constructed.

* * *

CONSUMER AFFAIRS

SUGAR—REQUEST FOR INVESTIGATION OF PRICING POLICIES OF COMPANIES

Mr. G. H. Whittaker (Okanagan Boundary): My question was intended for the Minister of Consumer and Corporate Affairs but I think he has left the chamber. I will direct it, instead, to his parliamentary secretary. In the light of reports that the profits of some United States sugar companies have increased in excess of 1200 per cent over the past year, and that world supplies of sugar are low, is the minister prepared to order an immediate study into the pricing policies of Canadian sugar companies to ascertain whether there is evidence of excessive profits, gouging or price fixing in Canada?

Hon. Ron Basford (Minister of National Revenue): Perhaps I might take notice of that question and inform the hon. member that there are cases already before the courts.

I rose specifically because the hon. member asked me a question yesterday and I wanted, further to my answer then, to inform him that while my investigation is con-

tinuing I am not yet able to give him any names or addresses.

* * *

COMBINES

PROPOSED CONSULTATIONS ON COMPETITION LEGISLATION

Mr. Bill Kempling (Halton-Wentworth): A question for the Minister of Consumer and Corporate Affairs, Mr. Speaker. Would the hon. gentleman tell us when he proposes to introduce the bill giving effect to stage II of his competition legislation and will he advise us what consultations he intends to arrange with the provinces, consumers, businessmen, trade unions and other sections of the economy before he proceeds, especially in the light of the information that a committee of the other place is also studying competition policy.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, may I stress once more that before proceeding with Stage II of this bill, there will be consultations with provincial ministers and officials, with business and any other interested parties. I do not believe Stage II will be dealt with in this House before next year.

* * *

[*English*]

CONSUMERS AFFAIRS

DELAY IN TABLING ANNUAL REPORT OF DEPARTMENT

Mr. Bill Kempling (Halton-Wentworth): In view of the fact that the annual report of the Department of Consumer and Corporate Affairs is almost 19 months staledated, would the minister inform us when he intends to table a more current report, bearing in mind that he is asking the House to deal with legislation affecting his department, yet we have no up-to-date information concerning its activity?

[*Translation*]

Hon Andre Ouellet (Minister of Consumer and Corporate Affairs): I shall investigate the matter, Mr. Speaker.

* * *

[*English*]

TRANSPORT

REQUEST FOR TABLING FEASIBILITY STUDY ON CONSTRUCTION OF ARCTIC RAILWAY

Mr. Steven E. Paproski (Edmonton Centre): Thank you for your recognition, Mr. Speaker. My question is for the Minister of Transport. In the light of statements made by the minister on October 10 that the study of the feasibility of an Arctic railroad carried out by CN-CP is still under review jointly with the Minister of Energy, Mines and Resources, and noting that this study has been in the minister's department for six months, may I ask the minister whether he will table this report immediately as the information contained in it could have a direct bearing on current National Energy Board and right-of-way pipeline hearings?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the report is not yet completed; it is still under consideration by the department. A summary will be prepared and tabled as soon as possible.

* * *

[*English*]

LABOUR RELATIONS

STRIKE AT FIRESTONE PLANT IN HAMILTON—EFFECT OF TIRE IMPORTS FROM UNITED STATES—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Labour on a serious matter involving a multinational corporation, Firestone, in Hamilton. Has the minister received a telegram from local 113 of the United Rubber Workers of America asking for government action to eliminate the import of United States made tires? The telegram states that tire imports have soared 80 per cent since the strike by the 1,300 Hamilton workers began, and that these imports have countered all the bargaining pressure the local union could muster.

● (1210)

If so, could the minister advise the House, the country, and Hamiltonians in particular, what his answer is in this regard?

Hon. John C. Munro (Minister of Labour): I can indicate what the answer is in terms of any corrective action in the import field. Discussions have been held with the officials of the Department of Industry, Trade and Commerce previously and with myself, and I indicated that if we ever start to break our trade agreements with the United States and impose any type of import quotas, they can do the same to Canadian steel going into the United States. I think the hon. member would agree that this would have had repercussions on employment. I think the hon. member would agree but I have also suggested to the union in question that there is, perhaps based on the arguments they are prepared to submit, other action that the federal government could take with respect to this particular strike.

Mr. Alexander: Seeing that the minister has opened up the door with respect to action I wonder if he could give us a little hint as to what he has implied in this regard. I do not see the Minister of Industry, Trade and Commerce here, so it is up to the minister to let us know what he is talking about.

Mr. Munro (Hamilton East): Mr. Speaker, I can. The Minister of Industry, Trade and Commerce together with myself in our respective departments have authority to look into the question generally of the domination by parent corporations of their subsidiaries here in Canada in terms of their industrial relations, perhaps to see whether the subsidiaries in question are acting in the best interests of Canada and Canadian employees.

TRADE

POSSIBLE DUMPING OF TIRES BY FIRESTONE COMPANY IN THE UNITED STATES—REQUEST FOR INVESTIGATION

Mr. Edward Broadbent (Oshawa-Whitby): Supplementary to the Minister of National Revenue. Since the minister can on his own authority initiate an investigation as to whether or not there has been any dumping on the part of the parent company in this regard on to the Canadian market, since I wrote to him about this about a month ago and asked him to conduct such an investigation, I wonder if the minister is in a position to inform the House as to whether or not he has done it yet.

Hon. Ron Basford (Minister of National Revenue): No, Mr. Speaker.

Some hon. Members: Oh, oh!

An hon. Member: Dereliction of duty.

* * *

COMBINES

REQUEST FOR TABLING OF AMENDMENTS TO BILL C-2

Mr. Ron Huntington (Capilano): I have a question for the Minister of Consumer and Corporate Affairs. Further to the request of members on this side of the House, Mr. Speaker, on Tuesday of this week that the minister's proposed amendments to Bill C-2 be tabled, would the minister indicate if he now intends to table his amendments, and if so, when?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I announced that these amendments will be introduced when the bill is considered in committee.

* * *

[*English*]

GRAIN

APPLICATION OF BRACKEN FORMULA IN ALLOCATION OF BOXCARS—REQUEST FOR REVIEW

Mr. Don Mazankowski (Vegreville): I should like to direct my question to the Minister of Justice in his capacity as minister in charge of the Wheat Board. It has to do with the current application of the Bracken formula in allocation of boxcars. Having regard to the importance of the facilitating of grain movement and in the interests of equity to all competitive elevator companies, I wonder if the minister is reviewing the current application of the Bracken formula in that it now appears that the spirit enshrined within the Bracken formula is not truly being upheld.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the formula is not currently being reviewed, although it is reviewed certainly on an annual basis. I have no recent complaints about its operation, and I will of course be glad to receive any specific objections the hon. member has heard about it.

Mr. Mazankowski: A supplementary, Mr. Speaker. I wonder, since the current allocation of boxcars in effect locks in the status quo in that the allocation is made on the previous year's business rather than the current demands, if the minister would consider looking into this, particularly in view of the fact that we face the potential of large amounts of grain which is tough and damp which could cause undue elevator congestion.

Mr. Lang: Mr. Speaker, the formula is based on the most recent deliveries. Regularly the previous months deliveries dropped and the most recent months are taken on. In addition there are steps taken to deal with particular congestion problems, and between these two measures the formula has been working well. As I indicated to the hon. member, I have received no complaints about it.

Mr. Nowlan: I will make my point of order short, Mr. Speaker, because I am about as tired as that clock. The clock looks as though it is a little behind schedule, and I am a little tired of jumping up and down during question period.

Some hon. Members: Oh, oh!

Mr. Nowlan: This government can at least take measures to fix the clock and get it in time, even though they are running behind in everything else.

In terms, Mr. Speaker, of the reality of members jumping up and down—obviously all cannot get recognized—I hope, Your Honour, that in future when a minister of the Crown does something in the House in which a member opposite is somewhat interested, that member is sometimes recognized.

Some hon. Members: Oh, oh!

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): I do not believe this was done yesterday, and I wonder if I might ask the government House leader what business we will be proceeding with later today and into next week.

Mr. Sharp: Mr. Speaker, as for the business today, the House order provides that we will be continuing with discussions of the Department of Indian Affairs and Northern Development, followed by the Minister of Public Works with all questions to be put at four o'clock. On Monday, the first order of business will be the continuation of the second reading debate on Bill C-2, the bill relating to the Combines Investigation Act, with the hope that the bill can be referred to the standing committee that day. We will then call the bill approved by the Senate amending the Trust and Loans Act. This is an extremely urgent matter because there are now unnecessary limitations upon the spending and borrowing powers of these various trust and loan companies. If this is approved in

time, we will then call two bills, C-10 and C-19 standing in the name of the minister responsible for the Canadian Wheat Board. I would like if possible to have this business completed before Wednesday, but if not as soon as it is competed and not later than Thursday we will call the petroleum administration bill.

Mr. Whittaker: I have a question of privilege, Mr. Speaker. After a question today to which the Minister of National Revenue replied, part of his answer was an answer to a question that I asked yesterday. His remarks today were what I consider as offhand and almost bordering on being smart aleck. The question that I asked yesterday in this House I take very seriously. Also, since asking that question, I understand that the same situation exists in Toronto. I did not ask him that I be supplied with any names or addresses. I asked him to look into this matter and to report if he is going to do anything about it.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

The House resumed, from Thursday, October 24, consideration in committee of Bill 31, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1975—Mr. Chrétien—Mr. Penner in the chair.

The Deputy Chairman: When the committee rose last evening the estimates of the Department of Indian Affairs and Northern Development were under consideration. They may be found on pages 10, 11 and 12 of the bill. I am prepared to recognize the hon. member for Kingston and the Islands. I would remind the hon. member that taking into account her time of last evening, she has about two minutes left for her presentation and questions.

On Schedule A—*Department of Indian Affairs and Northern Development.*

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Chairman. The hon. member will pardon me for raising a point of order at this time. Since the minister will be making a statement on hamburger at two o'clock this afternoon, we seem to have only forty minutes left for the consideration of Indian Affairs. I wonder whether, after the hon. member for Kingston and the Islands has completed her remarks, there would be general agreement that for the remaining forty minutes hon. members be limited to ten minutes each.

● (1220)

The Deputy Chairman: Hon. members have heard the suggestion of the hon. member for Winnipeg North Centre. Is it agreed?

[Mr. Sharp.]

Mr. Clark (Rocky Mountain): Mr. Chairman, has it been agreed that consideration of the Indian Affairs estimates will terminate at one o'clock?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, in view of the fact that there is to be a statement on hamburger at two o'clock, and we will have to do Public Works and the consideration of estimates will end at four o'clock, I do not see how we can do much more than close off Indian Affairs at one o'clock. However, a ten-minute limit would give a few more members a chance to participate.

Miss MacDonald (Kingston and the Islands): Mr. Chairman, there was no agreement, to my knowledge, that we would complete the discussion of these estimates in 40 minutes. I have no objection to the ten-minute limit on questions, but there has been no agreement that I know of that we would finish this department by one o'clock.

Mr. Lefebvre: Mr. Chairman, I agree with the hon. member for Kingston and the Islands. I am not aware of any agreement, other than the one which was read in the House, to spend 2½ to 3 hours on this department. I have asked the House leader to come back to the chamber and clarify the situation.

The Deputy Chairman: I thank hon. members for giving the Chair direction on this matter. The only agreement that the Chair has is that the estimates of the Department of Indian Affairs and Northern Development shall constitute, in time, 2½ to 3 hours. If there is any change in that agreement, I think the Chair would have to be so advised following consultation among the House leaders. We will assume that discussion of this department's estimates will continue this afternoon unless the Chair receives direction otherwise.

Mr. Knowles (Winnipeg North Centre): In any case, Mr. Chairman, was it agreed that speeches be limited to ten minutes?

The Deputy Chairman: The Chair asked whether that was agreed. I understand that for the remainder of the time until one o'clock, speeches or questions will be limited to ten minutes. The hon. member for Kingston and the Islands.

Miss MacDonald (Kingston and the Islands): Mr. Chairman, it is my understanding from the estimates that the allocation for purposes of research into Indian treaties and rights is exactly the same in this year's estimates as it was in the preceding year. I should like to ask the minister about the statement made yesterday in Yellowknife by Dr. Lloyd Barber, the Indian land claims commissioner, to the effect that settlement of Indian land claims is of emergency proportions and needs the highest priority, and that failure to act on it would lead to militancy and violence. Was the Indian land claims commissioner stating government policy when he made that statement?

Mr. Buchanan: Mr. Chairman, Dr. Barber is basically voicing his own opinions in this area. Our policy is to provide funding and a five-year program was set up with $7½ million to be used in this area. I believe we are in the third year of the program.

Miss MacDonald (Kingston and the Islands): I have a final question. While Dr. Barber speaks as the Indian land claims commissioner, nevertheless he was appointed to that position by the government and I should like to know if his statement means there are to be new government initiatives in the recognition of aboriginal rights.

Mr. Buchanan: I apologize, Mr. Chairman, but I missed the question.

Miss MacDonald (Kingston and the Islands): I should like to know if the statement of the Indian land claims commissioner means there are to be new government initiatives in the area of aboriginal rights.

Mr. Buchanan: No, Mr. Chairman.

Mr. Clark (Rocky Mountain): Mr. Chairman, let me begin by offering congratulations to the minister on the assumption of his responsibilities. I think it is agreed he has made an encouraging start in his portfolio, and it is well known that he comes to the department with a background of goodwill among its constituents. I want to point out to him, however, that while he has goodwill in the three areas of his responsibility, it is also a very clear fact that the mandate won by his government was denied him in each of the three areas of the north where the election returned members of this party and the New Democratic Party to represent the native people of Canada and certainly those within the national parks. I hope he will bear that fact in mind if there is ever temptation to carry too far the idea of upgrading the government's mandate as a result of the July election. I think the minister clearly has a special responsibility in that he is the first new minister to hold this portfolio for a long time. Many members of this House, and people who have to deal with the department, hope he will take advantage of his status as a new minister to change some of the people and some of the procedures that clearly were not working well in dealing with the problems of the native people and the northern territories. There has been no approval of the status quo as it relates to the Department of Indian Affairs and Northern Development. We hope the minister is aware of this as he assumes his responsibilities.

Mr. Chairman, I want to begin by referring to the statement made many times and repeated in the standing committee by the president of the National Indian Brotherhood, George Manuel, who expressed concern about the bureaucracy with which the native people have to deal. I recognize that the minister claimed last night that the bureaucratic proportion of his department amounts to only 7 per cent. I am not interested in arguing percentages, but I am interested in ensuring that the public servants involved in the administration of this department are helping to achieve the goals of native people, national parks and northern policy, and are not serving as obstructionists. I think it is recognized that it is the view of the National Indian Brotherhood that in many cases these public servants are obstructive.

I wonder, in view of the opinion recently articulated by the new parliamentary secretary to the minister, whether we may look forward to the day when the department will phase itself out, whether there is any concrete plan to reduce the number of public service employees in the department or the proportion of the budget that goes to administration costs.

Mr. Buchanan: Mr. Chairman, I should like to thank the hon. member for the kind remarks that he made prior to bringing me down to earth with a thud through his caution. I do not accept the idea that people employed in this department serve as obstructionists. By and large, a great many dedicated people are employed in all aspects of the operation of the department. There is no question that there is a transition in progress in the role of many employees and administrators and managers are being moved more into the role of advisers as the programs are being taken on and administered by the Indian people.

I indicated last evening that roughly $60 million of the budget is now handled directly by the band councils and Indian associations. I think this is the basic thrust, and the role is changing. As I said last evening, the number of employees in the department who are concerned with Indian and Eskimo Affairs programs has remained static for the last half-dozen years, but the budget has gone up threefold. So there has been a substantial increase in the funds used on behalf of the clientele of this department.

● (1230)

Mr. Clark (Rocky Mountain): Let me repeat my specific question. Does the department or the minister intend, over a stated period of time, say five or ten years, to wind down the department? Is there any such plan?

Mr. Buchanan: No, there is not. The hon. member may recall that in 1969 the federal government put out a policy statement dealing with Indian and Eskimo Affairs programs. This policy was put out for consideration. One of its proposals was precisely in line with the hon. member's suggestion. With few exceptions, there was strong reaction on the part of the Indian people against acceptance of the proposals in that document. The Prime Minister and my predecessor undertook, to a group of Indian people who came to a meeting, that the government would not unilaterally make the suggested changes. Again, I should mention that this proposed revision is now being conducted with regard to the Indian Act. We hope at some time in future to straighten this out and move ahead. But that undertaking was given.

Mr. Clark (Rocky Mountain): Mr. Chairman, the minister knows as well as I do that the objection of the Indian people in this country was not related so much to the contents of that report as to the means by which the report was put together. It was done by virtually ignoring the undertaking given by the minister's predecessor to consult with the Indian people.

I do not want to rake over old coals, but the matter of consultation is one to which I shall return. Let me remind the minister of the repeated request of the president of the National Indian Brotherhood. That organization seeks a complete and detailed review of the structure and operation of the Indian and Eskimo Affairs branch of the department. Will the minister accede to that request and allow the National Indian Brotherhood unfettered access to the records of the department so that a complete and full review can be undertaken by the National Indian Brotherhood? In that way we shall allay the apprehension

of the Indian people that the bureaucracy of the department is working against them. Will the minister give us that commitment? Will he say yes or no, because time is short.

Mr. Buchanan: Mr. Chairman, as I said last evening, a consultative mechanism was set up for discussions with the National Indian Brotherhood. If they make such a precise request at their next meeting in Feburary with the cabinet committee, I will be prepared to take a serious look at it.

Mr. Clark (Rocky Mountain): In other words, we have the commitment that when George Manuel repeats his specific request for a full, detailed and unfettered review of the operations of Indian and Eskimo Affairs programs, the minister may not accede to that request but he will give serious consideration to it.

Mr. Buchanan: Mr. Chairman, yes, more or less. The point is that George Manuel does not set the agenda. The executive of the National Indian Brotherhood does. If the National Indian Brotherhood wants to give that item top priority, it will be considered.

Mr. Clark (Rocky Mountain): Mr. Chairman, I regret that it may be less, not more. Let me point out that this kind of double-talk, this refusal to accede to the request of the democratically elected representatives of the Indian people of Canada, creates suspicion and difficulty among these people who deal with the department. Turning specifically to the question of consultation—

The Deputy Chairman: Order please. I regret to interrupt the hon. member. I remind him that the time allotted to him under the agreed ten-minute limitation of speeches has now expired.

[*Translation*]

Mr. Bussières: Mr. Chairman, I was very glad yesterday to note the great objectives that the Minister of Indian Affairs and Northern Development (Mr. Buchanan) announced concerning the policies of his department. I was somewhat surprised after listening to the speech of the minister to hear some people come back and say that we should try to involve the Indians and the Inuits in the fields of education, housing and cultural affairs, since the minister had just told us that the main objective of his department was to give as much autonomy, freedom and independence as possible to the Indians as concerns the administration of their own affairs.

It is obvious, Mr. Chairman, since education concerns me particularly, that this is a field where the independence of individuals is extremely important. Indeed, the very aim of education is to achieve an independent status as an individual. However, education itself involves a contradiction since education also means training and training nearly always implies certain restrictions. Several years ago, we acted restrictively towards the Indians because we wanted to mold them or bring them to see things our way and to share our cultural, linguistic and other values.

I am very glad, Mr. Chairman, to see that the objective of the department is to give back to our native people, the Indians and the Inuits, through a grant of a few million dollars, the means to regain their own linguistic, cultural and educational independence.

Yesterday some comments referred to the number of Indians who take part in their own education, either by being teachers or in some other way. It is quite obvious that the restrictive action taken in the past has eliminated some native people from this process of education, particularly in the field of teaching.

If one looks at the progress made and characterized by statistics provided by the minister, one sees the movement is going in a positive way and towards ever increasing native involvement in that process at all levels.

I am quite happy to see that the votes allocated to the cultural and educational areas follow precisely that objective of involvement, and I am convinced that in a few years the minister's statistics will be higher. We will then see that for the larger part, Indians will be looking after their education, their other problems and dealing with them themselves.

I would like to point out another thing, Mr. Chairman, about the Department of Indian Affairs and Northern Development with respect to Parks Canada. I think the minister went over an aspect of Parks Canada much too quickly yesterday and I am referring to the byways and historic sites. I find that program particularly interesting because a few years ago there was talk already that that program about byways and historic travel routes would help link the core of Ontario to Quebec City.

Mr. Chairman, that route would go through the whole riding of Portneuf where the sites are magnificent, the scenery beautiful and one could also find famous historic sites such as the old Jacques-Cartier Fort at Donnacona. That panoramic route on those byways would make it possible for the people of Quebec City to admire the beautiful scenery in a natural environment. That would also allow us to preserve our natural resources in their state of wilderness.

Mr. Chairman, I wonder if the minister intends to make a greater effort to have this special route built. I would also like to know whether the minister is still consulting with Ontario and Quebec so that those magnificent projects are achieved as soon as possible.

Mr. Chairman, in conclusion, I want to express to the minister my best wishes for success in his new duties. I am very happy to see that on this side of the House there are a great many people as dynamic and intelligent as the minister who can be called upon to continue the good work of those who leave their posts.

● (1240)

[*English*]

Mr. Buchanan: Mr. Chairman, to reply briefly to the hon. member for Portneuf, I share his concern as far as the parks and sites aspect is concerned. In fact, when I was making some remarks last evening I think the hon. member for Regina-Lake Centre sort of jokingly asked what I meant by the term "linear parks". I think this program is becoming more and more effective in parts of our country which are heavily populated, such as the Windsor-Quebec City access. It is going to be more dif-

ficult to put together the large land assemblies we will need to create this type of park. We will have to look at other types of programs such as by-ways and canals to try to create ways for Canadians in heavily populated areas to gain some meaningful experience from our parks system.

An hon. Member: How about the Grand River?

Mr. Buchanan: Perhaps the Grand River as well, and your 66-foot footpath. For a good many people, even in our national parks such as Banff and Jasper the experience is pretty well limited to the road, interpretation centre and the visitors' centre. I think you can make a very strong case that canals, and so on, are areas to which we should be devoting a significant amount of attention.

I wish to report that nothing has been concluded; we are still very much in the negotiation stage. One of my first acts was to go, with Hon. Allan Grossman who has responsibility for this area in Ontario, to look at the Blueridge parkway in the United States to see whether it had any application for Canada. I wish to reassure the hon. member that while I cannot report anything substantive at this time, we are still very interested in a Laurentian parkway from Quebec City to the province of Ontario.

Mr. Dinsdale: Mr. Chairman, I join other members in congratulating the minister upon his ascension to this important and interesting portfolio. Unfortunately, he has arrived at this position when many of the long-standing problems have reached crisis proportions.

I was interested in the presentation of the hon. member for Kingston and the Islands and the statement of the Indian land claims commissioner who until recent times has been a fairly moderate and mild man with regard to land claims. He is now reaching the point where he is becoming strongly critical.

Because of the shortage of time, I wish to zero in immediately on the subject I have in mind. In a recent interview with Joan Cohen, as reported in the October 15 issue of the Ottawa *Citizen*, Harold Cardinal made some pointed remarks on the deterioration of the Indian situation across Canada. Included in this article was the following interesting statement:

> And as serious as anything, the announced reform of the education system, which was to have put schools under the control of Indians, simply didn't materialize. The Department of Indian Affairs is running things, just as it always did.
>
> That is why he sees it as essential that economic and education reforms be separated from the long-term policy decisions that have to be made when discussions begin with the federal government.

I think the minister is much more sensitive on these matters because he has been chairman of the Standing Committee on Indian Affairs and has gone through the inevitable educational process of chairing that group of MPs. However, as recently as last week the National Indian Brotherhood made a statement which has been made repeatedly, that the white man speaks with a forked tongue. There is some justification for this with respect to education. We had a formal, staged press conference held on May 24, 1973, where the former Minister of Indian Affairs and Northern Development and the president of the National Indian Brotherhood, George Manuel, announced the implementation of the new look in education which had been derived from the committee's report of June, 1971, and the Indian Brotherhood statement on Indian culture and education which was released, I believe, in 1972. On that occasion, the minister made this commitment, and I quote from his official statement:

> I have given the National Indian Brotherhood my assurance that I and my department are fully committed to realizing the educational goals for the Indian people which are set forth in the Brotherhood's proposal. In consultation and co-operation with the Indian organizations, my department will begin immediately to effect the educational changes for the Indian people that they have requested.

Obviously, this undertaking has not been discharged, if we are to accept the words of Harold Cardinal who has been a very responsible and discerning leader in matters affecting our Canadian Indians. I want to ask specific questions to see if we can get any information as to how far this program has gone. We might not have time to get all the answers. If the minister is not able to deal with them in the chamber this afternoon, perhaps he will send me written answers.

In order to implement the program, as Mr. Cardinal says, priorities must be given to economic and educational matters. I agree with that statement. As H. G. Wells said, civilization is a race between education and catastrophe. I think we can translate that into the critical situation facing our native people at the present time. How many staff members at the upper echelon in the education branch of the Department of Indian Affairs are native people? What are their positions? This information is essential if we are to implement the objective of the Indians themselves in regaining control over education. The priorities were expressed in their paper as parental responsibility and local control.

Second, how much do the funds amount to that are available for experimental and innovative projects? How have they been used? This is one of the points made in the minister's statement of 1973. Third, how far has the process of the provincial curriculum enrichment proceeded? What provinces have taken action? How far down into the local educational level has this program proceeded? Fourth, how many native cultural educational centres have been established under this specific program? Of the $40 million that was allocated, how much has been spent, and for what specific programs?

● (1250)

The next question concerns an item for professional and special services, the amount of which keeps going up. I notice from the current estimates it has increased by $4.5 million to a level of $82 million. What is this particular estimate used for, what reports have been produced, how many people have been involved in those reports, and who are they? Are Indian research projects funded from this item of special services amounting to $82 million? Is there not overlapping and duplication in making available this amount of money, a substantial sum that might be more directly funnelled into the educational process itself?

I think that will suffice for the moment. If the minister would start his answer, he could then perhaps send me a written reply.

Mr. Buchanan: Mr. Chairman, I should like to thank the hon. member for his kind comments. I am more optimistic than the Indian claims commissioner regarding the

matter of Indian land claims. I feel that we are reasonably close to some sort of significant breakthrough in Quebec. If that is accomplished, I think hon. members will find that a settlement there will more or less establish the parameters of claim settlements and that there will be faster movement in the Yukon, the Northwest Territories and British Columbia. I am talking now basically in the area of comprehensive claims as opposed to the specific claims being made in the treaty areas. As I say, frankly I am more optimistic than is the Indian claims commissioner in this regard.

Moving on to the hon. member's next area of questioning, the basic commitment of the government to the undertaking made by the minister and Mr. Manuel when they appeared before our committee, the government is still committed in this area. Progress has not been as rapid as we would like, partly because—the hon. member will recall this statement being made in the committee—the government could not really walk away from the joint agreements that we had entered into throughout this country with provincial school boards. This could be one of the areas of greatest difficulty.

We have incurred very substantial capital costs in buying places for Indian children in schools, and we are locked into ongoing contracts for the provision of educational services. No doubt this creates a very awkward situation; the Indian people would like to terminate these things, move out and spend very significant sums on duplicating these facilities on the reserves. The cost implications of this, as Mr. Manuel appreciated when we were discussing the matter before the committee, are very great, so that progress has not been nearly as rapid so far as getting schools established is concerned.

The Deputy Chairman: Order, please. I very much regret interrupting the minister, but I want to recognize another hon. member before we adjourn for lunch. Since the time for this set of questions is over, perhaps the minister could adopt the suggestion of the hon. member and reply in writing to the remaining questions.

Mr. Buchanan: I will be happy to do so.

Mr. Brewin: Mr. Chairman, I am glad of the opportunity to take part in this debate, which is necessarily a brief one. I, too, heard what Dr. Lloyd Barber said as reported on CBC radio this morning. As Indian land claims commissioner, I assume he is not given to alarmist statements on this subject and knows what he is talking about. I was startled, and I think the people of Canada should be started, by his statement that the situation constituted an emergency. I am still not sure whether the department as a whole recognizes the gravity of the emergency.

He also spoke of the urgent necessity for a just, generous and fairly rapid settlement of Indian land claims. He spoke of the fact that if frustration continues as a result of the failure of the negotiations and discussions being held on Indian land claims, then we in Canada might find ourselves in a position similar to that in northern Ireland. I think we should take these warnings very, very seriously.

I wanted to call to the attention not only of the committee but of Canadians generally, a report that was made on

Canada's Indians by a minority rights group, a very prestigious group of jurists, scholars and others, I think mostly in the United Kingdom though also in Europe and other areas. They carried out a thorough study and a report was prepared quite recently by James Wilson. I want to thank the minister for sending me a copy of the report, which I read and found extremely interesting. I think it constitutes as good a summary of the background of this situation as any I have read. Naturally, it does not deal with all the complex details, but I hope Canadians will read it and understand it. If they do it will contribute to a change in attitude that seems to be essential to the finding of a solution.

This report was referred to in the House by the hon. member for Kingston and the Islands during the debate on the Speech from the Throne, and I think it will become common knowledge. The report offers a fairly objective view of the Canadian scene and historical background. I do not have time to go into the report in detail, but there are one or two quotations I should like to make, First, the report begins:

> After a century of spiritual and physical isolation, during which time they were commonly considered a dying race, the Canadian Indians have recently begun to emerge from the shadows and claim attention for their chronic problems of poverty, neglect and cultural and social alienation.

The report continues:

> —the harsh facts of a poor and demoralized existence remain stubbornly unchanged for a majority of Canada's native people.

The report states that in spite of the complex efforts that have been made, the harsh facts remain the same. I see it is one o'clock, and I think I will have another five minutes or so when I have finished my hamburger.

The Deputy Chairman: Order. It being one o'clock p.m., it is my duty to rise, report progress and request leave to consider this bill again later this day.

Progress reported.

The Acting Speaker (Mr. Penner): It being one o'clock p.m., I do now leave the chair till two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Speaker: Order, please. By agreement reached in the House earlier this day, the House will revert to motions at this time to permit the Minister of National Health and Welfare (Mr. Lalonde) to make a statement.

ROUTINE PROCEEDINGS

[*English*]

HEALTH

GOVERNMENT MEASURES TO ENSURE ADEQUATE INSPECTION OF MEAT

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my statement will be very short and it will be essentially a summary of the statements I have made this week in answer to questions asked in this House by hon. members. Contrary to allegations made in the House this morning that I misled the House, the hon. member for St. John's East (Mr. McGrath) will realize that what I am about to say is for the most part what I have already said in this House.

In view of the current concerns expressed over the quality of meat products, I know that many consumers are alarmed and I thought it would be appropriate to take a short period of the time of the House to make a summary of the situation in this regard. As a matter of fact, as I said a few minutes ago to the hon. member for St. John's East, I am surprised he needed 3½ hours to read a two-page document, most of which covered points that have already been covered this week.

The recent CBC program "Market Place" reported on studies carried out at the University of Guelph. The program implied that most of the samples tested were not safe for human consumption. The present programs and activities of my department do not substantiate this. As I said in this House on Wednesday, there are at present no epidemiological data to associate ground meat with human illness in Canada. My department has not received a single report from a doctor or a hospital relating human illness to the consumption of ground meat.

In the regular surveys carried out by the government's health protection branch, tests were negative for the organism salmonella which would have posed a health hazard. In both our survey and the work recently carried out at Guelph, with some assistance from my department I might add, this organism was absent. The total bacteriological count reported by "Market Place" is not related to a health hazard since these organisms do not produce toxins and are very readily destroyed by cooking. The high total count of bacteria reported in the program does suggest, however, that inadequate storage conditions with regard to time and temperature, and possibly unsanitary handling, may have occurred.

Like all members of this House, I want the best quality of food possible for Canadians.

Mr. Alexander: That's a good idea.

Mr. Lalonde: To this end, the health protection branch is doing the following. As I said in this House yesterday, regulations governing the protein quality and content of meat products and meat substitutes have been discussed with the food industry, the Department of Agriculture and the Department of Consumer and Corporate Affairs over the last few months. These regulations are being forwarded to the Department of Justice for promulgation within the very near future.

Ground Beef

The second aspect of my department's regular work includes spot-checking samples of all meats across the country. In the most recent survey, 100 samples from 50 outlets were examined in five regions of the country. We found a total bacterial count lower than that reported on the "Market Place" program. As with any independent report of this nature, we will be checking their data, and if further action is warranted hon. members may be assured we will take it.

Several months ago the health protection branch planned a workshop for November 4 to November 6, 1974, for personnel involved in food control at the federal, provincial and municipal levels. Ground meat will be one of the topics of these discussions. As I said in this House last Wednesday, a new laboratory of the health protection branch on the campus of Saint Mary's University in Halifax will be opening on November 1 and will have a staff of 22 people working in microbiology on programs associated with the quality of foods. These personnel will be augmented by the necessary field staff in the regions to support our monitoring program, for which the total staff involvement will therefore be 30 persons in Halifax.

In view of the recent concern, I have instructed officials of my department to expand their program on microbiological standards for meats. In total, there are 245 people assigned to food programs in the field operations directorate of the branch. We will immediately assign 30 of our technical and professional staff in the field to work exclusively on meat samples across the country. This, of course, as I said this morning in reply to a question asked by the hon. member for St. John's East, will be in addition to the work normally being carried out by the 1,255 meat inspectors in the Department of Agriculture and by the 195 inspectors of the Department of Consumer and Corporate Affairs involved in various aspects of food inspection.

It should also be noted that provincial and municipal governments are involved in food inspection. For provinces alone, for instance, there are over 1,500 inspectors associated with food programs across this country. The analyses that will come from the services to be carried out will help us to establish baseline levels of micro-organisms in meat on the Canadian market. From these results we will develop guidelines for use by the health protection branch and guidelines for provincial and municipal agencies in improving the sanitary aspects of meat processing. From this base, future regulatory programs will be developed. If substantiated cases of health hazards associated with ground meat are discovered, we shall not hesitate to take legal or regulatory action.

● (1410)

As I said in the House this morning, Canada has a food inspection program which compares favourably with that of any country in the world.

Some hon. Members: Hear, hear!

Mr. Lalonde: There has been increasing emphasis in the last two years in my department on the improvement of food standards, and this work will be continued at an accelerated rate. I want to assure the House and the people of Canada that as their minister of health I shall ensure

that my department makes every effort to provide consumers with the best possible quality of meat.

Some hon. Members: Hear, hear!

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I say that the minister's statement, with all its shortcomings, would have saved us all a great deal of trouble had it been made last Monday. At least he would have been expressing his concern, instead of giving us the flippant and irresponsible answers we have experienced during the past week. Now we are being told there is no need to worry about bacteria and waste organisms in meat products. Indeed, typhoid and hepatitis, diseases which result from eating unclean food, are things of the past. However, in reality the decline of these diseases can only be attributed to the work of previous ministers of health who recognized the dire implications of the presence of bacteria in food and who enforced the regulations.

The physical symptoms which result from consuming food with a high bacterial content can range from mild diarrhoea to violent stomach upset. The absence of reported incidents in no way implies that sickness caused by poisonous ground beef does not exist. It may well be the case that these symptoms were attributed to some other cause. Does the minister prefer to wait until there is evidence of this type before taking action? Does somebody have to become seriously ill, as happened in the case of electric kettles and the lead poisoning which was uncovered by a very attentive nurse in Toronto who diagnosed lead poisoning contracted by a baby? Does the minister dispute the findings of the University of Guelph, that their samples contained human and animal waste; and does he not regard the existence of this foreign matter as constituting a health hazard? Would the minister serve meat infected by this kind of bacteria to his own children?

It is not uncommon for Canadians to prefer to eat their meat rare or in slightly cooked form. Does the minister feel that these people should change their eating habits because his department is incapable of instituting and enforcing regulations which would protect them from a potential health hazard? The minister told us that a high bacterial count could result from inadequate storage facilities. But he did not say what he intended to do about it. What steps does he intend to take to improve storage conditions at the supermarket level?

On Wednesday, the minister said the presence of coli bacteria does not constitute a health hazard if the meat is well cooked. He further stated that cooking at 160 degrees Fahrenheit would kill the bacteria. In other words, the secret is in the cooking. Now we are told, in a Canadian Press dispatch written after checking with an Ottawa hospital, that meat would have to be cooked for at least an hour at 172 degrees Fahrenheit to kill staph bacteria. Mr. Speaker, not even the minister would eat hamburger which had been cooked for an hour. He couldn't eat it; it would be too tough. Moreover, the Canadian Medical Association, according to the same dispatch, said to day that even cooking the meat at these higher temperatures would not necessarily ensure that all the bacteria were destroyed.

I know the minister would not want to mislead the House on a matter of such importance. We can only conclude, Mr. Speaker, that he is getting bad advice. The hon. gentleman has told us how much he has grown to like powdered milk. This was in response to our concern over the removal of the 5 per cent subsidy and the effect it would have upon the health of the country. He even went so far as to tell us that powdered milk improved if, after mixing, it was left in the refrigerator overnight. But hamburger cooked for an hour is stretching even the minister's credibility.

On Monday, when the subject was first raised in the House following the release by the CBC of the University of Guelph studies, the minister, instead of taking his responsibilities seriously and making a statement at the first opportunity, replied in a flippant and irresponsible manner. As a result of this flippancy and arrogance he now finds himself in hot water. This question, affecting as it does the health of Canadians, should have been treated by the minister as a matter of the utmost urgency and importance.

Now we turn to the presentation by the Food Prices Review Board. We saw the spectacle of the chairman of that board having to call a press conference to remind the Canadian public that the government was dragging its feet on the recommendations contained in the board's report on ground beef which has been in the hands of the government and, presumably, of the minister, since June 6. Lest anyone should doubt that, the chairman of the Food Prices Review Board made a formal statement. The response from the minister's department was that there were higher priorities within the department. That, I suggest to you, Mr. Speaker, was a most irresponsible reply. This is a most urgent matter and it directly affects Canadians because we are consuming more than 400 million pounds of ground beef. As a result of inflation the price of other cuts has risen beyond the reach of most Canadians.

Mr. Lalonde: On a question of privilege, Mr. Speaker, did I understand the hon. member to say I declared that this was not a matter of priority? Did he impute that statement to me? If so, I ask him to withdraw such a statement because I never made any statement of that kind. Also, I have checked with my officials and they advise me that no such statement was made by spokesmen of my department at any time.

Some hon. Members: Withdraw.

Mr. McGrath: Well, I will read now from the press release issued by the chairman of the Food Prices Review Board. This is what it says:

> In contrast to the positive response of the Department of Consumer and Corporate Affairs, the director of the health protection branch of Health and Welfare Canada termed as nonsense the board's recommendation for more inspection for bacterial content in ground beef. He is reported to have said that food poisoning bacteria are rare in ground beef, and that food spoilage bacteria which frequently occur in this meat are harmless to humans. He also maintained his inspection division had higher priorities.

Some hon. Members: Withdraw.

Mr. Lalonde: The hon. member has indeed corrected his statement.

Some hon. Members: Oh, oh!

Mr. Lalonde: I would like to point out that that statement was made in June and that action has been taken since.

Mr. McGrath: In fact, Mr. Speaker, this statement was made on October 23, 1974, by the chairman of the Food Prices Review Board.

Some hon. Members: Oh, oh!

Mr. McGrath: The minister's statement today is not enough, when so many Canadians are concerned; and I suggest the reason for their concern is the irresponsible and flippant response given by the minister when he told us that coli bacteria are harmless if we cook our meat well.

● (1420)

We are now told we will have 30 inspectors seconded from other areas of responsibility. For how long? Is this to be temporary, or is it to be a permanent, new feature of the health inspection branch of the minister's department? I suggest that the time has come when we must change the regulations. We may even have to change the law. We may have to come up with stiffer penalties. We may even have to change the minister.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, at the outset of my comments I should like to pay public tribute to two institutions in Canada which have done an excellent job in bringing this serious matter to the attention of the public and contributing in some way to getting the minister to act. I refer, first, to the CBC who did a good job of coverage in raising an important issue on a political program. It was responsible journalism of the finest kind. I refer, also, to the good work done in this respect by the Food Prices Review Board. It is good to see some public agencies performing well.

I turn now to another public agency, namely, the minister's department. I want to refer to a number of important omissions in the minister's statement. First, it is worth noting that for the first time, if one can find it in a statement a page and a half long, the minister actually says there is something wrong with our meat inspection procedures. He says there are some real hazards in this area and therefore he has taken steps to bring in new regulations and to increase the number of inspectors. At least, he has started to act and has acknowledged that a potentially dangerous situation exists. But what is missing? I would like to know when these important new regulations will be brought in. The minister did not give us a date, but he did acknowledge that he is finally going to move in that regard, and I hope it will be soon.

What about the action that the government will take if someone is found to be derelict in his responsibilities? What if it is discovered that people who keep the meat are not meeting the regulations laid down by his department? Are we going simply to have the maximum $50 fine, which I understand is the highest fine ever imposed upon someone who has not complied with the regulations? There is nothing in the minister's statement to say that the punitive aspect, in dealing with this situation, is to be considered. Surely that is a crucial matter, given the price of meat in Canada today. If you are caught neglecting your legal responsibilities, $50 is a negligible amount—perhaps only a very small part of an afternoon's sales in a store. Surely this is an inadequate fine for such a potentially serious offence.

The minister said there will be 30 full-time meat inspectors. My understanding—and the minister might clarify this—from the information we have been able to get, is that at least the equivalent of ten inspectors are working full time now, so we have an increase, presumably, of 20. I would like to know what the minister's criterion is. He has not said why we are going to have 30 inspectors now, as opposed to 50 or 500 or 1,500. Was it just guesswork? Was he simply saying, "Well, people are legitimately upset about this matter. We had better move in some direction. Let's increase it to 30"? Or was some rational criterion applied?

The minister did not indicate—and I think he should do so—why he thinks 30 is a reasonable number. Some people might think that 30 is a reasonable number for one city alone. I do not know the answer to that question; I will be candid about it. It might be a reasonable figure. But the minister, surely, has an obligation to say how the number was determined and to assure us that it was not simply a political response in the House of Commons to a critical situation.

There is another point I wish to make. It has a direct bearing on the number of inspectors who are now being put to work, but more broadly it has a direct bearing on the entire health protection program of the minister's department. Meat may be just one example of a potentially dangerous situation in the health field. Therefore, a very important part of the minister's department is the health protection program. I notice, Mr. Speaker, that the budget for this program has been virtually frozen for the last few years, with a very slight fluctuation. If the minister checks the figures he will find there has been no significant variation in the number of dollars allocated to this program. Given the rate of inflation in recent years, this means that real spending in the health protection program of his department has gone down in the past few years.

Surely if we are to deal with medical matters in a serious way, it would make much more sense to spend a lot of money before people become sick—to avoid illness; to avoid problems—than to pay for doctors after medical problems occur. I cannot forgo the opportunity of saying to my Conservative friends who are always complaining about government spending that this, surely, is an area where there should be more government spending to ensure that the people of Canada are protected and to avoid medical expenses, even if we are putting it on a dollars and cents basis.

I conclude my observations on the minister's statement with this point. It seems to me that the minister has displayed a totally unacceptable air of complacency. This is why he has been criticized by the Food Prices Review Board, by the opposition parties and by others. It arose from the statement in which he told the people of Canada, "You can drink powdered milk, if the price of milk is too high." I say to the minister that that is unacceptable. It is unacceptable, not only coming from a minister but from any Canadian whose income happens to be not particularly high, to tell people, "Drink powdered milk". The second

illustration of this, which I mentioned in the House the other day and the hon. member for St. John's East mentioned it today, is in saying to the people of Canada, "Well, cook your hamburger a long time and then you don't have to worry. If you cook it at 160 degrees, you don't have to worry about bacteria."

I say to the minister that we should not have bacteria in our meat at any significant level, and we should not have to cook it at 160 degrees for up to an hour. If the minister or anyone in Canada wants to eat hamburger raw, we should be able to do so with complete safety.

I conclude, Mr. Speaker, by saying that I hope this situation will shock that minister out of his state of complacency, because if there is one field where complacency should be totally inacceptable, it is that of the health and welfare of Canadians. We need a totally new approach to this problem.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I shall indicate first of all that the statement made by the Minister of National Health and Welfare (Mr. Lalonde) certainly contradicts the one made by the Chairman of the Food Prices Review Board. Even if this board is concerned with reviewing food prices, I seriously feel that, to be effective, it must also supervise not only the application of the Weights and Measures Act, but also make sure that food products are of satisfactory quality. This is the reason for the position adopted by the Chairman of this board concerning ground meat.

Mr. Speaker, I am satisfied that producers are not to blame when consumers do not get good quality meat. Cattle producers do their utmost to deliver healthy animals. At the slaughterhouses, the inspectors do an excellent job of protecting consumers, and I suggest that this is an important stage of meat marketing.

I have often had the opportunity of visiting slaughterhouses and I can bear witness to the efficiency of their inspections. Still, I am not so sure that the ground meat sold in supermarkets is always of top quality. It may be the result of unsanitary handling as well as aging of the meat.

The minister has stated that 240 persons are employed on food programs in various areas. In the future, he said, 30 technicians and professionals will devote all their time, from sea to sea, sampling meats, this, naturally, in addition to the work normally performed by the 1,255 inspectors from the Department of Agriculture and 195 others from the Department of Consumer and Corporate Affairs who are responsible for the various aspects of food inspection.

Mr. Speaker, in view of the large number of people who, right across the country, supervise the quality of the meat offered the consumer in commercial establishments, in addition to provincial and municipal inspectors, I cannot understand that with such an army out in the field some firms should still break the law, at the present time by taking the risk of offering consumers meat of dubious quality.

Mr. Speaker, we agree that there is nothing better than good meat. On the other hand, nothing is so hard to digest, so harmful for one's health than bad meat, meat that even dogs would eat with little enjoyment.

I feel strongly that, in addition to the steps to be taken by the various departments to ensure quality meat to the consumer, we should see to it immediately that the producers get sufficient profits and income to enable them to live decently and to continue producing enough to meet the needs of the domestic market.

Otherwise, they would have to import meat from somewhere else, and then the consumers might be entitled to complain louder about meat's bad quality.

So it is a very serious problem, and I hope the Minister of National Health and Welfare (Mr. Lalonde) and the Minister of Agriculture (Mr. Whelan), with the help of the Cabinet, will introduce measures likely to improve the situation.

In conclusion, I hope the minister will have the courage to deal severely when necessary with the big corporations which deal in meat and do not comply with the legislation and regulations, in the same way he will deal severely if necessary with smaller businesses.

● (1430)

[*English*]

Mr. Speaker: Order, please. While we are on motions, I believe the Minister of Energy, Mines and Resources (Mr. Macdonald) has had discussions and there is agreement that he file a document pursuant to Standing Order 41(2).

* * *

ENERGY

TABLING OF INTERNATIONAL ENERGY PROGRAM AGREEMENT—REFERENCE TO COMMITTEE

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there have been discussions about the international energy program agreement which was arrived at in Brussels on September 27, 1974. I made the suggestion that if the House permitted, I might lay it on the table. The House might agree to an order in the following terms:

That the agreement on international energy program tabled this day be referred to the Standing Committee on National Resources and Public Works for consideration and report back to the House.

If the House is agreeable, I wonder if that could be made an order.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, we are quite agreeable to the motion. However, we should like to have from the minister or from the acting prime minister, in light of the very serious implications for Canada, the assurance that this agreement will not be signed by the government until the report of the committee has been dealt with in the House.

Mr. Macdonald (Rosedale): Mr. Speaker, I will be glad to give that undertaking.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

[*Translation*]

BUSINESS OF SUPPLY

The House resumed, from Thursday, October 24 consideration in committee of Bill C-31 for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31 March, 1975.—Mr. Chrétien—Mr. Laniel in the chair.

[*English*]

Mr. Sharp: I rise on a point of order, Madam Chairman. Because of the time remaining until four o'clock, there has been an informal agreement which I should like to have expressed more formally in order to avoid any problems. It was agreed that the estimates of the Department of Indian Affairs and Northern Development should be considered until 3.15 p.m., at which time the estimates of the Department of Public Works would be before the committee. If I may make a suggestion, since the Department of Public Works is being considered at the specific request of the Social Credit Party, Your Honour might give their spokesman priority.

The Assistant Deputy Chairman: Is it agreed? The hon. member for Grenville-Carleton.

Mr. Baker (Grenville-Carleton): We concur, Madam Chairman, although I am a little concerned about the government House leader's attempt to direct the Chair with respect to the order in which speakers will be recognized. I presume you will consider this caveat which I file.

An hon. Member: It was a suggestion.

Mr. Knowles (Winnipeg North Centre): Madam Chairman, we agree to the suggestion. I think the government House leader was speaking on behalf of all of us.

[*Translation*]

Mr. Lambert (Bellechasse): Madam Chairman, I agree with pleasure to the suggestion made by the President of the Privy Council (Mr. Sharp), all the more so, because it is obvious we have had consultations on this matter. I should thank my colleagues for their generosity. I believe this is due to the fact that we have not abused our right to speak during the debate on the Estimates.

[*English*]

The Assistant Deputy Chairman: Is it agreed that at 3.15 p.m. we shall move to the estimates of the Department of Public Works?

Some hon. Members: Agreed.

On Schedule A—*Department of Indian Affairs and Northern Development.*

Mr. Brewin: Madam Chairman, before lunch I used up five of the ten allotted minutes, so I shall now continue

my bisected remarks. I was referring to the report of the minority rights group regarding Canadian Indians. I read a few excerpts from the report because I find it particularly worth while and interesting. I should like to read further from page 7 of the report:

> The simple fact is that successive governments have found it easier and cheaper to keep the Indians dependent on welfare than to make the enormous capital investment required to enable them to stand on their own feet.

● (1440)

> The economic effects of this policy can be easily measured: unemployment among Canadians as a whole is 6 per cent, among Indians it is 50 per cent. In 1969 the average income of a Canadian family was $8,874; while 88 per cent of all Indian families made less than $3,000, and about 50 per cent made less than $1,000 . . . including all welfare payments.

I continue reading from the report:

> Despite these encouraging signs there has still not been a major transformation of Indian life. The Department of Indian Affairs is still a huge and costly vested interest and may, wittingly or unwittingly, obstruct the movement of power and resources to the Indians . . . There is a long history of failure, parsimony and neglect to be made up for.

I draw this matter to the minister's attention, not because he condones or wills that this should be so but because he should recognize how difficult is the task he has undertaken.

Finally, the document reads:

> In order to make this more trusting atmosphere possible, and give the Indians the best chance of success in finding solutions to their chronic ills, the government will have to act in good faith and make available to them adequate resources for a long period of experiment and development, and Canadians as a whole must abdicate the responsibility they assumed for deciding whether "their" Indians should be "preserved" or assimilated. Whatever paths the Indians decide to follow, and however unwise they may appear to outsiders, the choice must now be made by the Indians themselves. White Canadians are not being asked to determine what the Indian was or is or could become; they are being asked to do something far more difficult; accept him as he is.

May I say a few words about property and land claims. This is a difficult and complex matter and I want to sound a note of warning. If it is dealt with in a purely legalistic manner, it will not succeed. It must be dealt with in a statesmanlike manner. These problems need political judgment and probably legislation. I wish to ask the minister some questions on this matter. He has told us of some of the negotiations and has expressed optimism about the negotiations relating to northern Quebec. I understand these are being conducted primarily with the Quebec government.

I ask about the other negotiations. How are they getting on. Are they progressing? Are adequate funds being made available to enable Indians to carry out adequate research for the presentation of their cases? I stress the need for adequate funds. Are they being made available? Is the process of negotiation being used with regard to aboriginal claims, and also respecting those who have had settlement of their treaty rights but claim that their treaty rights are being disregarded? This needs to be rectified because the treaties were totally unfair when first entered into.

The Assistant Deputy Chairman: Order, please. I am sorry to interrupt the hon. member, but his time has expired.

Estimates

Mr. Dionne (Northumberland-Miramichi): Madam Chairman, the procedure in committee of the whole is somewhat strange to me. Nevertheless, I am pleased to have this opportunity to explain my views during the consideration of the estimates of the Department of Indian Affairs and Northern Development.

I am interested in many aspects of the department, particularly the parks branch and the branch concerned with Indian affairs. Most of the national park known as Kouchibouguac is in my constituency. Actually, I share the honour with the Minister of State (Fisheries). A new national park, known as Beaubear's Island, is being constructed in my area because of the generosity of the late Lieutenant-Governor of New Brunswick, Hon. J. Leonard O'Brien, who donated the island to the people of Canada for that purpose.

Today I shall speak about education, particularly as it relates to the Indian people of Canada. I hope to see the day when the department will no longer be necessary and the Indian people of this nation will not look to departments of government but will rely on their own competence to accomplish their goals and attain their destinies. It is to be regretted that there is a so-called Indian problem today. If there is a problem, the responsibility cannot be laid at the feet of any one government but must be shared collectively by all governments and by all white people, as this process has gone on since the white man began colonizing this continent. On the day the first white man set foot on the shores of North America, the so-called Indian problem began. I am not sure that we cannot call it the white man's problem. I am sure the Indians would.

In the beginning, white men attempted to solve the problem by confronting the Indians. White men tried to make the Indian adopt the white man's culture. I will not quarrel with our ancestors, who I believe were sincere in their efforts. However, they were not completely successful. Some Indians resisted and the white man used his traditional method of solving problems, that is, the gun. For several generations we perpetuated the notion that we came here to convert savages but they resisted our efforts. Any battle with Indians which the white man won, was won by superior tactics and incredible bravery. On the other hand, if we lost to the Indians it was through treachery and sneak attacks and we subsequently set it down as a massacre. In my view, any battle is a massacre. However, the bias of the historian makes a great difference.

Fortunately, our attitude in recent years has changed. We want to see Indians take their rightful place in the fabric of society and of Canadian life. In the past half-dozen years the consultative process has begun to function to the benefit of the Indian people and the Canadian government. I hope that this consultative process will continue and will be enshrined in the spirit of departmental operations. I am sure the minister shares this view.

If the Indian people of Canada are to achieve their goals, it will be necessary for us to introduce improved educational programs. A very high proportion of Indian children drop out of school because the education they receive has no relevance to their lives. We need education which will help the Indian people meet their aims. It is not necessary that curriculums for Indian children should be the same as those for whites. Such a program is not logical. Indian education should be designed around the traditional skills, culture and heritage of the Indian peoples because these are the skills they will find useful.

I do not think we should educate the native peoples of Canada in such a way that they will lose their heritage and culture. It is imperative that they acquire skills which will enable them to live independently and in keeping with the dignity which is so necessary to the nature of man. When Indians attend public schools because of arrangements with provincial departments of education, we must be particularly careful to make sure they retain their culture and heritage. In my limited experience of teaching Indian children, I have found they are not capable of coping with our system, because it is largely irrelevant to them. So when we force them to undergo our sort of education we are not keeping in tune with their interests.

I have seen parents take their children out of school to hunt caribou or look after trap lines. Some people have expressed despair that this should be so. Personally, I think this kind of activity can have significant educational value if the system is designed to fit this kind of learning experience into the over-all pattern of native education. That is not to suggest that we should keep our native people as hunters, fishermen and trappers. However, there is nothing wrong with that if it is what some of them want to do.

● (1450)

I want to state as firmly as I can that education of the native people must improve both quantitatively and qualitatively. I am confident the minister shares this view and will make every effort to ensure our native children the best possible educational opportunities. However, all our efforts to improve their education will go for naught unless employment opportunity is available and accompanies the improving educational opportunity which we provide. I look forward to the day when the native peoples of Canada will take their place alongside the rest of us in whatever walk of life they choose.

Mr. Smith (Churchill): Madam Chairman, I shall deal with no more than two of the major problems in northern Manitoba, the area with which I am most familiar. However, I feel these two subjects affect the entire country. In the past three weeks we have heard a great deal about Indian and native housing. I admit it is a problem. I travelled with the minister into several parts of my constituency where we saw the situation at first-hand.

Housing in many parts of our reserves is one of the most needed commodities. However, we seem to have the idea that housing must be built to our standard. If the Indians do not accept the standard we have set for them, there just does not seem to be any housing available. Professors say that everyone must have so many feet of air space. Let me assure you, Madam Chairman, that the rate at which we are building houses on reserves today cannot keep up with the population explosion taking place on the reserves. I am sure all hon. members are aware of that fact.

My idea to eliminate some of the problems in housing is this. A certain percentage of houses should be built each

year on any given reserve. I am not sure how they are allocated. However, there are still many people on the reserves who would be very happy to have a roof over their heads. With the oncoming winter, we still face the problem of having two or three families living in one home. I wish to emphasize to the minister that there are ways in which we can accommodate people on the reserves. We can go right back to the old log home. In most cases the timber is in the area and the people are skilled in the construction of this type of home; they do not need training programs in order to build them. I am not talking about a 12 by 14 foot log home but about a home in which a family can survive.

The unemployment rate in my constituency is 12.8 per cent. We have LIP and a step, "A HOP" and a jump programs to do all kinds of things to create employment. These people in my constituency could be employed and housing could be provided for them at the same time. This is what is wanted by the people in many of the communities which I represent. They would be very happy to be able to move into a small home: let's call it a transitional type of home. The log home was the traditional until a few years ago when we stepped in and told the Indians they needed gyproc on the inside and something else on the outside. A good log home can be built by the people in the community at one third of the cost of today's traditional home.

The biggest problem facing people in the north is the high cost of transporting materials to the reserves. Half the money is used for that. I next want to speak about the alcohol problem which faces our Indian people. It is a problem which we, along with the Indian people, must overcome or the whole system will break down. Neither we nor the Indian people can cope with the alcohol problem. I am not a world traveller; I am only talking of my constituency. The chiefs and the people in my area admit there is a problem and they are trying to do something about it.

I cannot find in the estimates the amount of money which will help these people overcome this serious problem. Is it included in the $82 million set aside for professional help? Sending professional people to help them will not solve the problem. Someone comes in with a theory that if you all get together, hold hands and talk about the problem, it will go away. That theory should go out the window. The problem has to be dealt with by the people on the reserves. We can provide some expertise, but they must recognize that it is their problem. I would like to see an effort made to help them.

I understand that the community development program will be, or has been cut back to some extent. I do not believe I have been a strong promoter of community development programs, but I feel there must be a continuing program to help educate the people living on reserves.

This morning the minister referred to the transfer of funds to the band level. I support that idea. However, the necessary training must accompany this program. In many areas the native people want to have funds. There is no doubt about that. They should have them. However, they also need training so they do not end up with pie all over their faces. This is what has happened in many cases. Indian Affairs have been in too much of a rush to turn everything over to the band and let them go it on their own. Some of the bands have fallen down badly. Indian Affairs have been forced to return and take over these services because of the mess some bands made of it. That is why I want a community development program which will ensure that the bands are trained to carry on their own programs. They would then be much happier in handling their own programs.

The minister spoke this morning about utilizing reserves land, and so on. I am in favour of this. However, there is one problem in my constituency. At The Pas reserve a large complex is now being built. I admit that I am not up to date on everything that is happening there. However, I do not believe many of the people in the adjoining communities are in tune with just what is happening at that complex. There should be more communication between the adjoining town of The Pas and Indian Affairs so each can be apprised of where the other stands in this regard.

● (1500)

I say that because The Pas stands to lose a lot of tax money with a facility like this on the reserve. There should therefore be a little more consultation between Indian Affairs and the people of The Pas so as to let everyone know exactly where they stand.

Another matter I should like to bring to the attention of the committee is the alcohol problem. I am sure all hon. members are aware of the statistic that 85 per cent of the Indian people who fill our jails today have been convicted of alcohol offences. I should like to see the Department of Indian Affairs, through its educational programs, work very closely with the bands and help them overcome this very serious problem which is going to be the backbreaker of every reserve in northern Canada.

Mr. Buchanan: Madam Chairman, so I do not transgress upon the desire of several hon. members who wish to speak, all I shall say at this point is that I am very sympathetic to the remarks made by the hon. member. He dealt with several areas, and the first was the provision of log homes. As a youngster I spent some time in one in Athabasca, and one of the first things that I did when I came to this department was to look into that possibility.

As hon. members know, our most critical housing areas are northern Quebec and Ontario, across the northern part of the three prairie provinces into B.C. and down the Mackenzie valley, all areas where, as far as I and, it seems, as far as the hon. member is concerned, there is potential to build log homes. He is quite right in drawing that to our attention.

[*Translation*]

Mr. Cyr: Madam Chairman, during the few minutes at my disposal, I should like to talk about the estimates for Parks Canada.

National parks contain characteristics of great beauty which are protected for the benefit of Canadians and future generations.

Canada is a young country where a large part of the population lived not so long ago in or near the wilderness.

Today, most Canadians are within easy reach of areas which are still suited for outdoor activities. However, Canadians do not care for these outdoor activities. They will have to learn from the experience of densely populated countries respecting the preservation and conservation of areas which can be converted into national parks.

As the population and urban development increase, it will be increasingly imperative to keep these areas in their natural state and it will cost more and more money. Madam Chairman, this brings me to call your attention to an article in yesterday's issue of *La Presse* to the effect that Kuwait is purchasing an American island with $17.4 million of its oil profits. Kuwait has just added to its territory a small island called Kiawah in the Atlantic, only 30 kilometers from Charleston, South Carolina.

The developer chosen by the Kuwaiti to convert this wooded island into a large and highly profitable amusement park believes that this purchase could be the first of a series of investments by Kuwait in American holiday spots. This small island, sold for $17.4 million, was bought in 1955 by an American promoter for $125,000. This week's transaction in South Carolina should make us think about preserving our historical sites, of our enchanting sites in Canada, so that they do not become foreign-owned.

Thus, Madam Chairman, it is important to recognize from now on the wilderness areas in Canada and to take them into account when putting forward a policy on the national parks purpose, and thus provide for the development of the system. Speaking of the development of the park system, I must pay tribute to the president of the Privy Council (Mr. Chrétien) who established ten national parks in Canada between 1970 and 1974. I think this House should pay tribute to this great Canadian for his great concern for preservation.

[*English*]

Mr. Baker (Grenville-Carleton): I rise on a point of order, Madam Chairman. Our understanding, and the understanding held by the House leaders, with respect to this particular series of estimates in committee of the whole was that this was going to be primarily a committee hearing for the use of the opposition, to enable them to examine ministers on the government spending estimates for the year 1974-75. As a result of that understanding, and in view of the importance of these three days, we agreed with this procedure.

In the House this afternoon we have, for some reason or other, government members rising in their places; there was one over there a few minutes ago and now we have my hon. friend. They have been making speeches that laud ministers. This is not the purpose of the committee of the whole on estimates, and I must protest. I do so reluctantly, Madam Chairman, but I must protest. If this is allowed to continue—I say this with great respect—through the rest of the afternoon, then we are destroying what is a very important experiment in parliamentary procedure, this operation upon which we are engaged.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Madam Chairman, I do not want in any way to detract from my colleagues' right to speak. But I would ask you, Madam Chairman, and my hon. friends on the other side of the House to remember the understanding reached between the government House leader, the opposition House leader and, as I understand it, the House leader for the New Democratic Party. If government members continue to pay homage to ministers—we know they all pay homage to their own—then we are destroying the purpose of this experiment, which frankly we think is a very valuable one in the course of the reform of parliament that the Prime Minister himself mentioned. I say this with respect, but in the circumstances I felt I could not sit here any longer and not say anything.

Mr. Reid: On the same point of order, Madam Chairman, I do not think it is possible for members on this side of the House to accept the principle that the House of Commons belongs to members of the opposition.

Some hon. Members: Hear, hear!

Mr. Reid: The agreement reached between the House leaders was that we would revert to the old system of committee of supply as an experiment. That we have done. In committee of supply in my time in the House of Commons—before the hon. member for Grenville-Carleton came here—government members used to speak in the same way as opposition members, and this has been going on today. There are members on this side who represent large numbers of Indians and who have not spoken; I am one of them. There are a large number who would like to speak. My point of order is that, to my knowledge, there was no agreement that Liberal members would not participate in debate; and I reject wholly the proposition that the House of Commons belongs only to members of the opposition.

● (1510)

Mr. Baker (Grenville-Carleton): Madam Chairman, the parliamentary secretary is quite right if he says there is no House order in that regard. The government House leader indicated that perhaps it might become inflexible if there were a House order, and I agree with him. Nonetheless, there was an understanding that, because of the experimental nature of this, and the circumstances under which this agreement was reached, government members would not over-extend their time.

Right now we are standing at a point with three speakers from the government side and we have had three speakers from the opposition side. I think the undertaking and the understanding have now been breached, and I continue my protest with regard to the understanding that was reached. Since we are trying an experiment in the course of the consideration of these estimates I think things are being badly affected by the attitude of the government, and by the parliamentary secretary who spoke for the government on this matter.

[*Translation*]

Mr. Cyr: On a point of order, Madam Chairman.

The Assistant Deputy Chairman: The hon. member for Gaspé on a point of order.

Mr. Cyr: Madam Chairman, if the hon. member had allowed me to ask my question, which I wanted to explain, I would have yielded to another member and we could

have had five minutes more for debate. I believe we should stop raising points of order. I have been a member of the House of Commons for many years and I am entitled to speak just as well as hon. opposition members.

[*English*]

The Assistant Deputy Chairman: There being only a few minutes left perhaps I should recognize the hon. member for—

[*Translation*]

Mr. Leblanc (Laurier): On a point of order, Madam Chairman.

The Assistant Deputy Chairman: The hon. member for Laurier rises on a point of order.

Mr. Leblanc (Laurier): Madam Chairman, it was agreed three days ago between party leaders that the estimates would be discussed, but the discussion is now on something else. Members are talking about personal problems in their constituencies. I heard but few remarks on estimates.

If it is actually intended to allow opposition members to talk about their ridings' problems, may I remind that the Standing Orders already provide 29 days for that purpose. We should therefore have been debating estimates for the last three days. In my opinion, such has not been the case, and I am in disagreement with members of the opposition who submit that the government does not allow them sufficient time to debate what they call extravagant sums of money reguired for this country's administration.

The Assistant Deputy Chairman: Order, please. As it is now 3.15 p.m., it is my duty, according to our understanding earlier today—

[*English*]

Mr. Knowles (Winnipeg North Centre): Madam Chairman, I rise on a point of order, and I do so because of the time we have lost on this one. May I say in this regard that the second statement by the hon. member for Grenville-Carleton was more accurate than his first statement. It was undertaken that government members would not abuse the time. There was no understanding that they could not take part.

Mr. Baker (Grenville-Carleton): That is right.

Mr. Knowles (Winnipeg North Centre): It is now 3.15 o'clock and we are supposed to go on to Public Works estimates for 45 minutes. I will take the liberty of speaking for my party in saying that we are prepared to forgo our time in respect of Public Works in order that we might have another 15 minutes on Indian Affairs.

The Assistant Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Benjamin: Madam Chairman, I am wondering if the House and yourself would be good enough to agree that, because the last six or seven minutes of time allotted for the consideration of the estimates of Indian Affairs have been taken up on points of order, the hon. member for Brant, whom I think you were about to recognize, and who has only two questions he wants to ask, might be given the opportunity to do so now. Perhaps you would be good enough not to see the clock for two or three minutes in order that he might ask those questions.

The Assistant Deputy Chairman: Is it agreed that I should recognize the hon. member for Brant?

[*Translation*]

Mr. Cyr: Madam Chairman, I rise on a point or order. On the same point of order I had a question for the minister. I believe I have the right to speak as members on the other side. If not, let us turn to Public Works estimates.

[*English*]

The Assistant Deputy Chairman: There being no agreement, and it being 3.15 p.m. it is my duty, pursuant to the agreement reached earlier today, to interrupt the proceedings and call the estimates for the Department of Public Works to be found in Schedule A at pages 19 and 20 of the bill.

On Schedule A—*Department of Public Works*

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Madam Chairman, I should like to avail myself of the opportunity of this debate on the estimates of the Department of Public Works to make certain representations to the Minister on the urgent needs of the area in connection with wharves and channels.

Even if a member is elected to represent the Canadian people as a whole, he must nevertheless have a greater concern for the problems of his constituency.

As far as the ministers are concerned, namely the executive members, I suggest they must administer the funds entrusted to them by Parliament so that every area of this country gets its fair share. Therefore, I wish to call the attention of the minister on very important matters that concern all the South Shore people, namely Montmagny and its suburban area. In the 1974-75 estimates, one can see that the department's objectives concerning the marine program is to provide and maintain at the most economical cost marine facilities as required by federal programs for the development and support of industry and for water level control. Secondly, this program provides for the construction, improvement and maintenance of marine structures, the planning and establishment of channels, wharves and harbours to facilitate the transportation of passengers and bulk and general cargo. That is a very clear objective.

● (1520)

For a number of years, representations have been made to the federal government by the municipal authorities of the city of Montmagny, middle officials and people in general through petitions to have dredging operations carried out in the channel leading to the wharf in Montmagny, but so far in vain.

All members who have represented that area in Parliament made representations to the various levels of government. Liberal and Conservative members, and even the

Hon. Jean Lesage, when he was the hon. member for Montmagny-l'Islet, made representations to that effect. Whether the governments were Liberal or Conservative, the answer was always no. I do not think that the authorities were motivated by partisanship in their refusal. However, there is an extensive record on the channel to Montmagny, It is not because the various ministers who were in charge of the department of Public Works and the department of Transport are unaware of the unfavourable situation of Montmagny that the problem has remained unsolved. On the contrary, the problem is quite clear to them. However, I think more and more that it is the bureaucracy that ill-advises the ministers and tells them that the nature of the work to be done would be extremely expensive and would not be viable. In support of that I will quote a paragraph of the letter from the director of the Quebec district:

The answers boil down to that: the department agrees that this project could improve the tourist industry and promote trade traffic. However, quayage revenues would not warrant the cost of the improvements which would reach over half a million dollars and for those reasons, the department would not be justified in authorizing that project.

That is one version, but there are others. Looking very closely at that record, one can realize that the various civil servants who studied the matter do not agree about costs. Some speak in terms of $500,000 and others in terms of $750,000. I have come to the conclusion that if we really wish to contribute to the development of the South Shore area, we should not hesitate to spend hundreds of thousands of dollars to do the necessary works and to exploit those vast touristic resources which are natural but which need man's intervention to become profitable. Furthermore, it would create many jobs. If we were ready to spend one tenth of the money wasted on the refitting of the *Bonaventure*, all the people of the South Shore would be very proud of it and this would make us forget the unfortunate case of the *Bonaventure*.

In Montmagny and the vicinity, there are many islands, especially l'Île aux Grues, opposite Montmagny, that is inhabited by many brave people eager to develop this island further and who would wish to go on living there, but with means of communication which would be adequate in 1974. The transportation system available to them is inadequate. It would be necessary to make major improvements to the island dock, and I ask the minister to take note of that so that an amount be provided for that purpose in the next estimates of 1975-76.

I spoke some time ago of the benefits that the dredging of the channel would bring to the South Shore.

But there would also be many advantages for the islands because the tourists would find access much easier.

The government calls on local initiatives to stimulate our economy. That is all well and good. But I think we should make more use of the natural advantages to be found in our area. One of them is the tourist industry with all the developments it can bring in this area.

For several years, a lot has been said about industrial decentralization. I, for one, suggest that decentralization is urgent but talking is not enough: action must follow and the faster the better.

Dragging the channel and repairing the Montmagny wharf would greatly help the region. In my opinion Montmagny is the capital of the south shore. If industry is to be attracted a centre of attraction must be created and to do this the co-operation of government authorities at all levels is needed. And as the federal government swells its offers with the greater part of what the taxpayers must part with it is normal that the federal government should be responsible for the work of dragging the channel and repairing the wharf.

May I be allowed, Madam Chairman, to take this opportunity to thank the ex-minister of public works, the hon. member for Restigouche (Mr. Dubé), for having accepted to put on the 1975-76 program an amount of $¼ million towards the rebuilding of the Montmagny wharf. I am asking the new minister to consider continuing his predecessor's program and I am confident of the minister's understanding and I congratulate him on his new post. I am also asking the minister to take into account the representations made to his department by the authorities of the city of Montmagny concerning the damages done each year by the spring break-up on the South River, near the Rivard bridge, in Montmagny. To prevent a recurrence of these damages, it would be absolutely necessary that a wall be built from the Rivard bridge towards the falls to eliminate the right angle which is the main cause of the damages suffered.

I also take this opportunity to ask the Minister of Public Works (Mr. Drury) to review legislation and regulations dealing with retaining walls along the St. Lawrence River. It is regrettable that retaining walls built some years ago are now in a deplorable state because they are not regularly repaired. They are in particularly bad shape along the coast opposite the Saint-Michel-de-Bellechasse municipality in Montmagny. The municipal authorities have often made representations for restoration or repairs to these retaining walls, but department employees always found the right answer to free themselves from that responsibility. Nevertheless, if the department feels that it must allocate too much money for maintenance, may we seriously—

The Chairman: Order. I regret to have to interrupt the hon. member, but the time allocated to him has now expired. There was agreement in the committee to limit speeches to 10 minutes. His 10 minutes have expired.

Mr. Lambert (Bellechasse): On a point of order, Mr. Chairman.

I have never understood that there was an agreement on the votes of the department. There was an agreement on the others but not on this one, and I do not think I abused the time of the House this week on the votes; I would like to take a couple of minutes to conclude my speech.

[*English*]

Mr. Ellis: On a point of order, Mr. Chairman. My understanding is that the agreement did not include any limitation with regard to speeches on Public Works.

Mr. Knowles (Winnipeg North Centre): I think the agreement to limit speeches to ten minutes was for the balance of the time we were on Indian Affairs. I do not think we made any change regarding Public Works.

The Chairman: The Chair has no objection. The hon. member may complete his remarks.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I hope the minister will bear in mind the representations I just made, and will find a way out of the embankment walls' lack of maintenance as soon as possible, so that the existing walls at least can be kept up.

I would also request the up-grading of the breakwater of the community of Berthier-sur-mer, which used to be called Berthier-en-Bas. In 1970, the department spent several thousands of dollars for repairs on that breakwater, which is of very great historical value. I know that won't earn people a living, but they value it a lot! I do think it is worth being maintained. That breakwater has been entered lately as a ruin on marine charts. I feel sorry about that. The hon. member for Bellechasse, who lives in Berthier-sur-Mer, deserves no credit for it. Moreover, the waters are quite deep in that area, and if the breakwater was upgraded, it could be put to a very practical use.

There is more and more talk about a Canadian merchant navy. If it becomes a reality some day, and the sooner the better, we shall be glad then to use that wharf. Finally, I thank the Minister for the upgrading work under way at the Montmagny federal building. I am sure the people will welcome it, and the civil servants who work in that building will feel more at ease and, consequently, will be more efficient in their work.

Those, Mr. Chairman, were the remarks I wanted to make on the occasion of the examination of these estimates. In the name of the South Shore people, I hope the Minister will see those representations in a favourable eye so that jobs be created in our area which experiences an unemployment rate of 11.3 per cent and so that our skilled workers be put to a better use for everyone's well being and in order to fight inflation efficiently.

● (1530)

[*English*]

Mr. Ellis: Mr. Chairman, I am delighted to have the opportunity to participate in the discussion on the estimates this afternoon. Recently I spent a fair length of time on the same subject in the debate on the Speech from the Throne. I join many members on this side of the House who claim that we do not have enough time to scrutinize the accounts.

A Public Works project was before the standing committee for only one meeting. Given the usual delays, that meant we had only eighty minutes. Given the make up of the committee, this meant that my colleague and I had only a total of 28 minutes in which to examine the estimates of $522,747,000. If you break that down, approval had to come at approximately $315,000 per second.

It is bad enough that these huge amounts have to be considered with lightning speed, but the one man responsible for this budget, the Minister of Public Works, felt it was beneath him and did not bother to show up at the meeting at all. The hon. member for Kenora-Rainy River had the audacity on Wednesday to stand up in the House and lecture us, with his arrogant and insolent finger waving in the air, telling us that a careful examination of the estimates was needed. Of all the unmitigated gall!

Not only did he utter the most senseless drivel I have ever heard, but he did it from the Prime Minister's chair. He must have been swept away by delusions of grandeur. The minister did send along his deputy to the committee meeting together with his staff who, I guess, all told probably collect a few thousand dollars an hour. The deputy minister, Mr. MacDonald, is a very competent fellow. I found him to be knowledgeable and willing to co-operate. His answers sometimes contained that loquacious multisyllabic nomenclature typical of all senior civil servants.

Mr. Knowles (Winnipeg North Centre): Say that again.

Mr. Ellis: I am sure I can say it better the second time than I did the first. On the whole, he is an excellent administrator. However, I am sure he would be the first to admit that the responsibility must lie with the minister who has been elected and is responsible to this House. Nevertheless, the minister felt it was beneath him to attend the meeting. Perhaps he will understand that I am delighted to be here to put some questions on the record. I say "on the record" because I will put my questions in a list, and frankly I want the minister to answer them, but I expect I will run out of time. Perhaps he will have a chance to answer them later.

Coupled with the unwillingness of the minister to attend the meeting and be questioned is the matter of the annual report of the Public Works Department, which is usually the basis for a good deal of questioning. Although the minister may have inserted the document in the record somewhere, it was described by the deputy minister as an advance copy on October 15, and I did not see the document publicly placed on the record after that date. In fact the report must have been around for quite some time since it was over the signature of the former minister, the hon. member for Restigouche. Many of my questions will relate to that report.

But first I must question the sanity of a department which, even in these inflationary times, allows its budget to gallop along at the rate of 38 per cent in two years, from $375 million in 1972-73 to $520 million in 1974-75. Is it any wonder we have inflation? Can there be any question of who is feeding the most fuel on the fires of inflation? Some of the questions which I wish to put forward have to do with some comparisons that I have made.

In the annual report estimates, Place Guy Favreau in Montreal, Quebec, is shown at $173 million. The estimated total cost, however, in the 1973-74 estimates is shown at only $87 million. The previously estimated total cost was only $42 million. Is this building now going to cost four times what it was supposed to cost originally?

Also in Montreal is the M.A.P.P. building, which shows in the annual report at $184 million. It is placed in the estimates at which we are looking right now, at $53 million, and before that, for some unknown reason, a year earlier it was $3 million more, or $56 million. Again, is that building going to cost us three and a half times the price at which it was estimated originally?

There is a small building in Ottawa at which I look with real concern, namely, the building for the Department of Urban Affairs, the former LaSalle Academy. The annual report estimates it at $7 million. The estimates that we are given show it at only $5 million, and a year ago it was

estimated at only $4.3 million. I strongly suspect this will be extremely expensive housing for the Minister of State for Urban Affairs.

The Toronto, Ontario, M.A.P.P. building presents an even stranger picture. The annual report estimates show it at $140 million. The estimate before us today shows it at $121 million, but the previous estimate shows it at $200 million. The previous year that same building was estimated at $80 million. From $80 million to $200 million, down to $121 million, and then back up to $140 million—surely someone must have a reasonable idea what this building will cost, but obviously it is not the Department of Public Works.

We do not have to restrict ourselves to these large buildings. We could consider a small government of Canada building in Nova Scotia which, two years ago, was estimated at $850,000. Now it is up to $2.4 million. Again there is one million dollars difference in what the estimates show. In Calgary, Alberta, we have a government of Canada building estimated at $25 million in the annual report. The previous estimates show it at only $18.5 million. There is one other government of Canada building on Sparks Street in Ottawa that is now listed at $56 million in the annual report. It is only $49 million in the estimates before us, and in last year's estimates it was to be only $36.7 million.

If we take those seven buildings we find that the difference between the estimates that we are asked to scrutinize and the estimates that are in the annual report vary by a total of $251.6 million. How are we supposed to make a reasonable scrutiny of two documents put out by the same department, supposedly at the same time, with a discrepancy of a quarter of a billion dollars? We cannot possibly come up with reasonable and sensible answers if this is the case.

I took a look at some of the other discrepancies. I was interested because members of parliament receive other documents besides the estimates. We also receive the Public Accounts books, and I thought it might be interesting to look at them to see what they had to say about some of the estimates. For example, we find at Acton Vale, which is somewhere in Quebec—I do not even know where—a little government of Canada building there for which there is a tender for $316,000. That may be a reasonable amount for that building; I do not know. The estimates say it was going to be $338,000. So, for a change, it appears to be within the budget.

The estimates for 1973-74 say $338,000, but the Public Accounts books say that a contract was let for $324,000, or a difference of $8,000. In addition, the Public Accounts estimate for 1973-74 was only $228,000. Public Accounts do not dream up those figures, they must get them from somewhere. I suggest they come from the department. If the department gives Public Accounts an estimate of $228,000 on the one hand and puts before the House of Commons a figure of $338,000 in the annual estimates, obviously something is wrong.

● (1540)

I am going to take a few more minutes to go through similar examples. At Beloeil, Quebec, a government of Canada building was shown, finally, at $599,900. That sounds like a good deal, but the estimates for 1974-75 showed $652,000, and the estimates for 1973-74 showed $814,000. While some of us might be accused of being gullible we do not believe that this building can have depreciated by 25 per cent while everything else has gone up in cost. So, I looked back at the Public Accounts estimate and found that their report for 1973-74 was $350,000. I wonder where Public Accounts got that estimate. If the Department of Public Works is giving out two sets of figures I should like to know why.

In Stouffville, Ontario, there is a little post office at $257,800 with the estimates showing previously at $342,000 and $325,000, while Public Accounts show $195,000. These figures vary too much for us to take reasonable cognizance of them, Mr. Chairman, yet we are told by the Parliamentary Secretary to the President of the Privy Council that we have enough time to scrutinize them in committee.

There is one last thing that I want to bring to the attention of the committee. Assuming that the estimates given to us by the department are valid, let me just report four items that I have picked out across Canada.

The estimates show a renovation in Arvida, Quebec, at $281,000; the contract was let at $340,000, a considerable difference. In Downsview, Ontario, for a postal station the estimates show $290,000; the contract was $348,000. In St. John's, Newfoundland, another mail processing facility, the estimate was $3,700,000, and the actual contract $6,199,000. In Terrebonne, Quebec the estimates show $293,000, and the actual contract $343,000.

If this level of inflationary spending is to continue, I should like to know if the department is going ahead erecting every building it has on its drawing boards and inflating its budget completely out of reason. Would it not be better to slow down and look at government spending?

While I do not want to offend my friends in Alberta, nevertheless I find that a building is shown in Lethbridge, Alberta, for $22,159,885 and the contract let. I looked diligently but I could not find it anywhere in the estimates. I do not know where that one sprang from, Mr. Chairman. Somehow we dreamed up a building very quickly, but I could not find it in either book.

I merely want to say in closing that we have little enough time to scrutinize these estimates. The figures are stunning in size and complexity, and I think it is high time we had a different method of presenting them, and certainly a different method of studying them.

[*Translation*]

Mr. Bussières: Mr. Chairman, I do not want to abuse my privilege, but I would merely like to make a remark. I regret that, when we make claims for some retaining walls which were built a few years ago with the use of gabions—cylinders of wicker filled with stones—those gabions have completely deteriorated after decades and then we get to the department whose budget we are studying to find out that there is no money to provide for the maintenance and repair of those walls.

I think that if the government had retaining walls built, it is because they thought it was necessary to protect the banks, and it must act as any citizen would and provide for the upkeep of the property. And if it is left to individuals it would seem to me, Mr. Chairman, that the Canadian

government should at least help them provide for the maintenance of those walls.

In the riding of Portneuf, Mr. Chairman, this problem is frequent and we are told there are no funds. I would like the Minister of Public Works to provide funds, at least to maintain the retaining walls already built in several places in the riding of Portneuf.

Mr. Chairman, I would also point out a certain lack of coherence which now and again becomes apparent in administrative decisions. In Cap-Santé, for example, also in the same electoral district, a boat landing has been built near the wharf. Unfortunately, there is no road from Cap-Santé to this wharf. Money has been invested for a boat landing but there is no road. If we ask for one, we are told there is no fund to solve this problem.

Thank you, Mr. Chairman. I will now leave the floor to the next speaker.

[*English*]

Mr. Elzinga: Mr. Chairman, I have just a few questions for the minister. In the Department of Public Works annual report for the fiscal year April 1, 1973, to March 31, 1974, there is reference to the Enoch Indian Band Development Study. On October 22, 1973, the Department of Indian Affairs and Northern Development invited the Department of Public Works property development branch to prepare a detailed feasibility study on the development of a native planned community for up to 40,000 people on the Enoch Indian reservation at Winterburn, Alberta.

This land was surrendered by the band for the purpose of generating revenues from leasehold developments. Indian Affairs set aside payment fees and expenses of $120,000. Has the Department of Public Works put any money into this project and, if so, how much?

Mr. Drury: Mr. Chairman, I will not make a long speech because there is not time, but I shall try to reply briefly to some of the interventions.

The Chairman: Order, please. I wonder if the minister plans to take all the questions, or if I might recognize the hon. member for Chambly who indicated he had a question or two.

Mr. Elzinga: Mr. Chairman, a point of order—

The Chairman: I think I can foresee the point of order. Actually the hon. member sat down and the minister stood up thinking that the hon. member had completed his remarks.

Mr. Dick: It is question and answer. That is what this is all about.

The Chairman: Of course, but the Chair is not in a position to give the answer. That is up to the minister.

Mr. Elzinga: I am sorry, Mr. Chairman, but I stated at the beginning of my comments that I had several questions.

The figures in the estimates indicate that 1,263 people are employed at the administrative level in the Department of Public Works. Is this total correct?

● (1550)

Mr. Drury: Mr. Chairman, although I cannot answer completely accurately right away, the hon. gentleman was substantially correct. With respect to the project about which the hon. gentleman asked, the funds for it are provided entirely out of the estimates of the Department of Indian Affairs.

Mr. Elzinga: Mr. Chairman, I notice that the minister's budget provides for an expenditure of $520 million. Is the productivity of the department's administrative staff comparable with the productivity of people in the private sector, and I am excluding the building in which we are now speaking?

Mr. Drury: Mr. Chairman, the building in which we are presently speaking comes under the jurisdiction of the Speaker; I will not comment on it. I can say that the productivity of the Department of Public Works is equal to and in many cases superior to that of the private sector.

Mr. Elzinga: Mr. Chairman, may I ask the minister a question on behalf of a colleague who cannot be here. I understand that in the community of White Rock there is a breakwater type of harbour which is in serious disrepair. Does the Department of Public Works intend to bring that dock up to standard? Apparently it is dangerous right now. I gather there was some move to turn the facility over to the community, but the community cannot afford it.

Mr. Drury: Mr. Chairman, my answer will also interest the hon. member for Bellechasse. The development and, to some degree, maintenance of harbours, falls under two jurisdictions. Harbours devoted primarily to commercial purposes are the developmental responsibility of the Department of Transport, which determines priorities in this area and commissions the Department of Public Works to execute the necessary works.

With regard to fishing and pleasure or tourist harbours and marinas, development is the responsibility of the Department of the Environment. Funds available to the Department of the Environment are devoted to priorities established by that department. Again, the Department of Public Works is commissioned by either of those two departments to carry out the actual work. The Department of Public Works is responsible for the provision of technical advice. The responsibility for determining whether the work is to be carried out belongs either to the Minister of Transport or the Minister of the Environment.

Mr. Elzinga: Are projects carried out by the Department of Public Works on the basis of merit, or is there a formula under which the department allocates projects in accordance with some regional plan?

Mr. Drury: Mr. Chairman, I think the same question was asked in the standing committee, and the answer furnished by the deputy minister was substantially the same as the one I shall give. There is neither a cast iron nor rigid formula in the examination of any particular project. It is, however, looked at within a general framework. A variety of considerations have to be taken into account. Those considerations will vary with each project.

Mr. Elzinga: Mr. Chairman, I know this matter was brought up in committee but sometimes, as you know, there is a difference between what the minister says and what the individual appearing before the committee says. I thank the minister.

[*Translation*]

Mr. Bussières: Mr. Chairman, some years ago, where retaining walls were concerned, the practice was that the Public Works Department was paying the cost when the channel was running within 2,000 feet of the shore line and if it was between 2,000 and 3,000 feet from it they paid 50 per cent of the cost and if it was 3,000 feet or more away from the shore, they paid one third of the cost.

I was surprised when after my election I came upon several reports on that subject. In my riding, many lots lie within 1,500 feet from the shore. I considered that problem with the officials of the department and the municipal authorities and yet there are no sustaining walls. The final answer that I received from the department was that they had not provided money in their budget for that purpose. I wonder if there is a policy on land ownership. Also they could have established a policy on the access to ownership. Maybe they could have also established a policy with respect to conservation of personal properties.

Mr. Drury: Mr. Chairman, the question of sustaining walls is very interesting. Many years ago, a formula was devised concerning what we call water lots. There is also an alternative technique for retaining the ground. It seems that the method used in the water where water lots are concerned did not require any change while the method relating to ground is under current review. That is what I could answer now to the hon. member.

[*English*]

Mr. Dick: Mr. Chairman, I wish to ask a question about the post office in the community of Kanata. When was the minister's department advised by the Post Office that they would not need the seventy linear feet in regard to lot boxes as door to door delivery is to be instituted?

Mr. Drury: Mr. Chairman, the hon. member's question demonstrates how unsatisfactory is this kind of colloquy, this questioning here. Neither I nor my officials have the specific information relating to the seventy feet not required by the post office at Kanata. We will have to get it. If that kind of question were asked in the standing committee, we could provide information on the spot because of the presence of sufficient numbers of officials with documentation.

Mr. Dick: I thank the minister for undertaking to provide that information. I bring this matter up because it raises a larger question. Since my election in January, 1973, I have written to the Post Office and been in communication with the Department of Public Works—

The Chairman: Order, please. It being four o'clock p.m., it is my duty, pursuant to the special order made on Thursday, October 3, 1974, to interrupt these proceedings and put forthwith every question necessary to dispose of Bill C-31.

Shall Schedule A carry?

Some hon. Members: Agreed.

Schedule A agreed to.

The Chairman: Shall Schedule B carry?

Some hon. Members: Agreed.

Schedule B agreed to.

Clauses 2 to 6 inclusive agreed to.

The Chairman: Shall clause 1 carry?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order. I am overwhelmed by the tremendous number of Liberals present at four o'clock on a Friday afternoon.

Some hon. Members: Hear, hear!

● (1600)

Mr. Knowles (Winnipeg North Centre): I wonder, Mr. Chairman, whether somebody could explain this phenomenon.

Mr. Sharp: On the point of order, Mr. Chairman, it is because we are seriously interested in the business of this House.

Some hon. Members: Hear, hear!

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

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

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

Mr. Speaker: Pursuant to Special Order made October 3, 1974, this House stands adjourned until Monday at 2 p.m.

At 4:05 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Monday, October 28, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS

EUROPEAN ECONOMIC COMMUNITY—STATEMENT BY PRIME MINISTER ON VISIT

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I wish to take this opportunity to report to the House on my trip last week to western Europe. In doing so, I am very pleased to be able to say that in both Paris and Brussels I found evidence of considerable warmth towards Canada, considerable interest in Canadian attitudes, and considerable desire to seek a convergence of interests. I can assure this House, Mr. Speaker, that in those places and within the international organizations sited there, the reputation of Canada is high. I can assure the House equally that there exists within the governments of France, Belgium and Luxembourg a genuine and wholesome appreciation of the Canadian fact.

It goes without saying that the discussions in Paris with President Giscard d'Estaing and with Prime Minister Chirac and other ministers took place against a background of deep historical bonds and a shared culture of considerable richness. Of equal importance, however, they took place in an environment which acknowledged the distinctiveness of the Canadian entity and the modernity of Canadian accomplishments. There was evident in those meetings, a will to deal practically with issues; a desire to cooperate rather than compete, to participate rather than withdraw, to consult rather than assume.

We agreed while in Paris to launch two bilateral working groups each with an objective of identifying areas of fruitful cooperation in order to increase and diversify our volume of trade. Each is to conclude its work in time to report to the Canada-France Joint Economic Committee at its next meeting to be held in Ottawa in the first half of next year. One working group will concentrate on examining, without advance commitment, technological and trade investment possibilities with respect to petroleum, gas, coal and nuclear fuels, taking into account matters of interest to both sides. The other group will examine the rather broader area of trade potential in industrial sectors and in the first instance would concentrate on the transportation industry, dealing with French interests in railways and in helicopters and with Canadian interests in STOL aircraft and in all-terrain vehicles.

An indication of the importance attached to these decisions was the agreement that the next Joint Economic Committee meeting take place—for the first time—at the ministerial level.

Finally, it was recognized that the ultimate success of the work to be undertaken rested largely with private enterprise and that special efforts should be made to bring together French and Canadian businessmen in the coming months. In this connection, I have asked the Minister of Industry, Trade and Commerce (Mr. Gillespie) to lead an official trade mission of Canadian businessmen to France in 1975.

● (1410)

[*English*]

In Brussels, where I profited from formal discussions with Prime Minister Tindemans and his cabinet colleagues, as well as with Prime Minister Thorn of Luxembourg, the same intensity of purpose was manifest: to build on the warm relations now existing with Canada, to intensify the contacts and exchanges now pursued, to support Canadian initiatives with the European community, to co-operate in multilateral sectors.

In Brussels too, as in Paris earlier in the week, there was broad agreement not simply on the identification of the major issues of global proportions but also on the postures which must be adopted with respect to them. We discussed, and agreed, that the dangers of nuclear proliferation demanded the design and implementation of more thorough and effective safeguards. We also agreed that the critical elements of the present state of the world economy—inflation, slow growth, balance of payments deficits, recycling, trade negotiations—demanded liberal and statesmanlike attitudes as distinct from cautious and protectionist ones. In this latter respect, the Minister of Finance (Mr. Turner) and I have now sought and received the views and understanding of no less than eight prime ministers and presidents in the last six weeks. We shall continue our efforts in weeks to come.

Western Europe is, of course, much more than the geographical location of several nation states. It is, as well, the site of a number of international organizations: in Paris, UNESCO and OECD; in Brussels, NATO, and others elsewhere. It is still something else; it is an evolving concept, a process, an idea to which dedicated men, in spite of formidable obstacles, are bending their efforts through the growing and ever maturing European community. This Europe is not the sum of the national parts; it exists of them and for them, yet it exists in addition to them. It is not enough, Jean Monnet was fond of saying, to add together the several sovereignties; men had to create the new Europe. They are now engaged slowly, sometimes painfully, in that creative process. This Europe, this entity of the future, is organic in nature. As yet, its potential size and strength and attitudes can only be conjectured. But

one fails at one's peril to recognize the sense of destiny which fuels this evolution.

Our government recognizes that emerging fact, Mr. Speaker, and we applaud it. We applauded last week in Brussels, just as we applauded two years ago on the occasion of the entry into the community of Britain, Ireland and Denmark. And these expressions of understanding have coloured the way in which our current approach to the European community has been received. That initiative, Mr. Speaker, is no less and no more than to seek ways of engaging the community in a dynamic, co-operative enterprise.

We wish to add a new, yet parallel dimension to the expanding links we are already building with our partners among the nine member states; a relationship which will grow as the community itself moves from infancy through adolescence to full maturity; a relationship in which Canada's interests and its singular identity are recognized and reflected in decisions taken; a relationship in which consultation and reciprocal advice are accepted; a relationship, Mr. Speaker, of mutual respect, of give and take.

There is a degree of novelty to this exercise. The community, understandably, is as yet far from certain of the shape it will assume, the jurisdiction it will occupy, or the powers it will possess in years to come. Nor is it for Canada to say. This is a European exercise. Yet one thing is certain. It is that this new Europe—which already accounts for 20 per cent of world trade—will be an increasingly formidable actor on the world stage: in commerce, in science, in economic and financial activity, in technology and more. That being the case, it would be irresponsible for a Canadian government not to seek a distinctive relationship with it. Without question, such an exercise could be conducted along more familiar channels were we to wait a few years, as most other countries have apparently chosen to do. But that would ignore the advantages to be gained from engaging the community at an early stage; that would ignore the spirit of creativity which now permeates the community and to which we seek to contribute. Comfort and familiarity are not our criteria; benefit to Canada is.

This desire, this technique, this goal, is shared by the European commission, Mr. Speaker. Our discussions with President Ortoli, with Vice-President Soames and with other commissioners, left no doubt about this. There was a significant meeting of minds both on the concept of this new relationship and on the initial steps to set the process in motion. It is bound to be a lengthy process, but we must begin. As a result of my talks in Brussels, it was agreed that a new process would be initiated involving concrete steps to strengthen the links between Canada and the European community. The parties agreed to begin exploratory talks in the near future on the nature and scope of negotiations intended to define the form and content of the relationship between them.

For this purpose, Canadian and community officials have been instructed to schedule meetings without delay. In addition, the president of the commission has agreed to visit Ottawa at an early date. I am also pleased that a full delegation office will be opened in Ottawa in 1975, of the same nature as those already operating in Washington and Tokyo.

[*Translation*]

I invite all hon. members to share in this process. Happily, an increased opportunity to do so will soon exist as a result of a further agreement reached last week. While in Paris, I was able to announce, with the approval of the French Government, that the Canadian Government would open a Consulate General in Strasbourg. This office will permit a Canadian presence to be extended into an important region of France for the benefit of our commercial, cultural, information and immigration programs and for the extension of services to Canadian tourists and businessmen. It will also support an enhancement of present links between the Parliament of Canada and the Parliament of Europe, and with the Council of Europe. As Honourable Members are aware, the European Parliament is situated in Strasbourg, and is expected to perform an increasingly important role in the new European Community. I place great importance on such links and on the constructive contribution offered by Canadian parliamentarians. Again and again in Europe I was told of the respect and the high reputation which delegations from this Parliament have earned through their hard work when abroad. It was my good fortune to be in Paris while one such delegation was present and to note the great distinction with which it did its work.

I have already mentioned, Mr. Speaker, the presence in Paris and Brussels of several international bodies of considerable importance. I engaged in discussions with the principal officers of two of them—Secretary General Van Lennep of the Organization for Economic Cooperation and Development, and Secretary General Luns of the North Atlantic Treaty Organization—and gained from them assessments of the international situation as viewed from their special perspectives, as well as generous acknowledgements of the important contribution made by Canada to each. This opportunity extended, in the case of NATO, to a full working session with the North Atlantic Council in Brussels. I was able there to explore with the permanent representatives of the member countries the concepts enshrined in the Ottawa Declaration of Atlantic Principles and to provide assurance that Canadian commitment to those principles remained unimpaired. I was able as well to express Canada's distress that two NATO allies should be engaged in a dispute with respect to Cyprus, and Canada's interest in seeing an early and peaceful resolution of the conflict on that island, a conflict which has taken two Canadian lives and endangered many others.

● (1420)

[*English*]

A few years ago, Mr. Speaker, an experienced European commentator described Canada as "La dernière chance de l'Europe". It is not my place to comment on that observation. I do say, however, that Europe is une bonne chance, une grande chance, une chance très importante for Canada. That is why we have so studiously strengthened there our ties and our level of representation in recent years. In each of the cities I visited there are three Canadian embassies devoted to separate tasks, and three Canadian ambassadors of outstanding capabilities. I know, Mr. Speaker, that hon. members will share with me my pride in the accomplishments of all of them and particularly, I

am sure, of Canada's Ambassador to Belgium, our ex-colleague and your distinguished predecessor.

Some hon. Members: Hear, hear!

Mr. Trudeau: Finally, Mr. Speaker, I should be less than gracious if I resumed my seat before paying tribute to the skill and dedication of those who accompanied me and who offered such valuable support in my discussions and negotiations. This group, comprised of the hon. member for Laprairie (Mr. Watson) and senior officials, functioned superbly. Representing, as they did, both of Canada's official linguistic communities and many regions of our country, these individuals demonstrated to me and to our hosts the advantages and the attainments of a bilingual government. I am proud of them and thank them in your presence.

I have not the slightest doubt that they and their colleagues will function equally as well during the several negotiations about to commence, and in the preparations for my return to Europe early in the new year. On that occasion, too, I trust I shall enjoy once again the pleasure of the company of the person who, without question, is Canada's fairest and foremost representative—my wife.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, let me begin my comments on a gracious note by saying how pleased we all are to see the Prime Minister (Mr. Trudeau) and Mrs. Trudeau back in Canada after their strenuous journey to Europe. I congratulate the Prime Minister on achieving the impression that this was a working trip. There were no bannisters, bobsleds or bugaloos getting attention on this foray. This in itself is progress. I understand there were attempts to whip up glitter and glamour as to what the trip was intended to accomplish.

An hon. Member: Weak.

Mr. Stanfield: My remarks are bound to be weak, coming after the lofty sentiments expressed by the Prime Minister a few moments ago. As I say, there was an attempt to whip up glamour as to what the trip was intended to accomplish. However, I understand the Prime Minister was pretty cool toward that approach to the extent of shooting down some of the most exuberant members of his entourage. For that I also congratulate him.

I say in all seriousness that it was unfortunate our general presentation, particularly that concerning the European common market, was not as thoroughly prepared as it might have been. It strikes me as strange that weaknesses in our presentation were not spotted, criticized and changed before we were on the firing line with them. The Prime Minister has to be subject to criticism in that regard. This was a highly personalized mission and the homework should have been better done before the fact.

Some hon. Members: Hear, hear!

European Economic Community

[*Translation*]

Franco-Canadian relations are of particular significance to our country, both culturally and economically.

Beyond the warm welcome the French government extended to the Prime Minister, the setting up of two study groups in the fields of energy and industrial cooperation constitute tangible proof that our two countries are on the road to reconciliation, making up a seven year old breach.

Still, I deplore the fact that so few efforts were made in the past, and with such deliberation, with a view to taking much greater advantage of the European possibilities as a means of reducing Canada's dependence on foreign countries. I have now for a long time advocated the speedier development of our trade as a means of diversifying our economic relations.

[*English*]

After all, we in Canada have had a lot of time to look at Europe; a lot of time to formulate ideas and approaches. For far too long we neglected the European Economic Community, going along without diplomatic representation assigned specifically to the community. For most of the year 1970 we did not have an ambassador to Brussels or to the community. We created the impression in a good many circles that we were not really interested in the affairs of the European Economic Community. The government has recently made some efforts to correct that impression. The Prime Minister's visit was to be the culmination of those efforts. Therefore, there was a strong challenge to face in this aspect of the Prime Minister's European trip. There was more than ample time properly to prepare to meet the challenge.

I do not for a moment think that the Prime Minister should have been expected to come back with the Holy Grail, or anything like that. I am saying that our preparedness, in terms of presentation, was not up to scratch. With the time we had to prepare a solid case, there is no excuse for having presented something less than that.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Prime Minister spoke of a return visit to Europe early in the new year. I trust by that time our homework will be better done. There is some very real confusion about just what we were after and just what we were prepared to give in exchange. The Prime Minister's statement today does not clarify the matter to any degree of satisfaction. I hope he will be more frank and forthcoming in answering some questions on these points.

It seems the trip had three main areas of concern. First, to renew warm relations with the government of France. I certainly think this purpose was fully accomplished. Second, to touch base with regard to our commitment to collective security, NATO for example. Because of the Prime Minister's warm support for NATO over the years, there is no need for me to comment on that. Third, to explore possibilities of a contractual arrangement with the European Economic Community.

European Economic Community

● (1430)

It is in relation to this third point that most of the confusion exists, and the Prime Minister does not really help to clear the air when he says things like this:

There was a significant meeting of minds on the concept of this new relationship and on the additional steps to set the process in motion.

If there was a significant meeting of minds on the concept, I wish the Prime Minister would tell us what the concept was.

Some hon. Members: Hear, hear!

Mr. Stanfield: Here is what the Prime Minister says they agreed on. Hon. members should listen to this with great care:

The parties agreed to begin exploratory talks in the near future on the nature and scope of negotiations intended to define the form and content of the relationship between them.

On page four of the Prime Minister's statement the word "posture" is used. It is not a word I would have chosen but perhaps it conveys more than it was intended to convey. I say this because the noun when it is verbalized indicates posturing. I have to say it looks to me like posturing as far as the EEC is concerned. Perhaps the Prime Minister would table the aide memoire sent to the EEC earlier in the year so that we can judge for ourselves.

I am disappointed that the Prime Minister did not take the House into his confidence today. I had hoped for an open review of the intentions of the government toward the EEC—a guide to the kind of association the government of Canada is seeking. We did not get that at all. If the Prime Minister would take this as coming from a native Nova Scotian, all we got today was a bag of fog.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the members of the New Democratic Party wish to join with other members in this chamber in extending a welcome to the Prime Minister (Mr. Trudeau) on his return from his eventful journey. The trip the Prime Minister made did not produce any spectacular announcements. Nevertheless, the fact that the discussions took place was in itself worthwhile.

At this period in world history when we are faced with inflation on a global scale, when there is growing concern about the diminution of many of our basic natural resources, there is a great danger that many nations will resort to protectionism, a course which can only lead to trade wars. For a country such as Canada which is so dependent upon international trade, such a situation would be abhorrent. For this reason, any discussions in which the Prime Minister takes part with heads of other governments, whether in Europe or elsewhere, must be welcomed. The Prime Minister referred to his discussions with the high officials of the French government. I am somewhat concerned that he would say, on page two of his statement:

One working group will concentrate on examining, without advance commitment, technological and trade investment possibilities with respect to petroleum, gas, coal and nuclear fuels, taking into account matters of interest to both sides.

When one combines this statement with the statement which was attributed to the Prime Minister by the press while he was in Brussels to the effect that Canada is in the process of reviewing its resource policies, and that those who were interested in the development of resources had better get on the band wagon, it becomes apparent that there is at least some reason for our concern. This, to me, looks like an open invitation—an indication that we are prepared to allow our resources to be used as a bait to attract investment and enlarge our trading opportunities by trading them off in a process of quid pro quo. I want to suggest that this is a dangerous path. We have trodden it particularly in our relations with the United States and it will be no less abhorrent in our relations with Europe. The resources at our disposal in Canada are limited in quantity. Some of them are disappearing rapidly. It is likely we shall face difficult problems in future years, particularly with respect to energy supplies, and for us to suggest we are in a position to invite other countries to come in and share in the development of our petroleum, gas, coal and nuclear fuels will, it seems to me, start a trend for which future generations of Canadians will pay dearly.

On page four of the statement the Prime Minister refers to his discussions with the EEC in Brussels. He says:

We agreed that the dangers of nuclear proliferation demanded the design and implementation of more thorough and effective safeguards.

As to the record, I think all of us would agree. What is needed, however, is some statement from the government, particularly from the Minister of Energy, Mines and Resources (Mr. Macdonald) as to any specific safeguards which are being implemented. The safeguards provided in the past have not proved to be effective. In any case, the situation has changed very radically because the by-products of nuclear plants generating electricity can now be used to make nuclear bombs. Consequently, the problem of safeguarding the use of our uranium is more complex than it was a few years ago. I believe the rhetoric of our Prime Minister, the meeting of minds in Brussels in respect of adequate safeguards, is something which ought now to reveal itself in terms of effective regulations so that we can be assured that Canadian uranium, or uranium from any other country if it comes to that, will not be used to enable irresponsible nations to produce atomic weapons which could very well destroy the world.

The Prime Minister is quite right when he says, on page seven of the statement, that it would be irresponsible for a Canadian government not to seek a definitive relationship with the EEC. The fact is that for at least the last ten years members of this party have repeatedly asked successive Liberal ministers of trade and commerce what they were doing with regard to seeking some type of associate membership in the EEC or some trading relationship with that organisation. It is true we were told that some discussions were going on between officials of our Department of Industry, Trade and Commerce, the governments of Europe and the EEC, but there had been no attempt until now by the head of a Canadian government, after more than 10 years of having Liberal governments occupy the treasury benches, to reach some agreement with the European Economic Council. If as the Prime Minister says it is irresponsible for a Canadian government not to have sought some distinctive relationship, then the blame for following an irresponsible policy must lie with the gentlemen who sit on the treasury benches.

● (1440)

The Prime Minister made some proposals to the EEC when he was in Brussels and press reports have said that the EEC representatives thought the proposals were banal. I should like to know what those proposals were or what type of proposals the government put before the EEC. What are we to envisage? Are we seeking some type of associate membership or are we seeking some type of trade agreement? What are the proposals the government put before them? They are 10 years late in making any kind of proposal, but surely now any proposal ought not to be so meaningless that it is described by the EEC as being banal.

If these proposals are not merely a public relations exercise, surely we ought to know what they are and the reason the members of the EEC were not prepared to accept them. Even though we have been late in recognizing the trade potential of the EEC that is no reason we should not press on now. I hope the government will be much more zealous in pursuing this matter now than it has been in recent years.

As far as this party is concerned I want to say that in pursuing agreements for increased trade it should be made abundantly clear that the natural resources of Canada which we so deeply need and which ought to be processed, and if possible turned into manufactured goods in this country, should not be put up for auction to the multinational corporations of Europe, the United States or anyplace else.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, first of all, I must apologize for not having had the time to glance at the statement of the right hon. Prime Minister (Mr. Trudeau) who came back from France in perfect health. Still, I want to congratulate him and join my colleagues in welcoming him back.

The Prime Minister probably came back from France in six or seven hours. As for me, it took me 16 hours and a half to come back from the Lac-Saint-Jean.

Today, the matter of time is very relative over certain distances, since everything depends on the means of transportation. This is the reason why I did not have time to get prepared to answer the Prime Minister's statement.

I simply want to make a few comments on what he has just said as far as the proposed establishment of study groups on economic, trade and technical matters is concerned. I want to express all the happiness we, French Canadians, felt when we read in the newspapers that the Prime Minister of Canada would go to Paris. After waiting for several years, the French speaking people of Canada were glad to read that the Prime Minister would at last meet representatives of the second mother country, in order to renew old friendships. I think that meeting was logical and normal.

Following the Prime Minister's journey through the press, radio and television, I realized that this visit of the Prime Minister of Canada to France was of current interest. It was even eagerly awaited by the French government. Judging by the way the talks developed, I think everything went well. I hope the proposed working groups will take shape shortly, and that we will be able to say that Canada gets as much from its dealings with France as with Great Britain or any other country.

Today, in its international relations, it is imperative that Canada step up contacts with other countries, increase international agreements in order to lay the old myth to rest, namely that we must always deal first with a North American country. I believe that will be beneficial to Canada. That visit to France has enabled the Prime Minister to open a door to the European Common Market. European trade is developing more and more and I believe that Canada has to be part of it.

The Prime Minister also talked about his visit to NATO. He stated that Canada's contribution to NATO would continue. As for me, I hope that it will get larger, and I believe that all those who have had the opportunity to sit in at NATO conferences will agree with that. I already had the opportunity on three occasions to attend such meetings in Paris and in Brussels, and I realized then the need for such international associations for a country that wishes to play a part in this world and to keep pace with other countries.

I believe that all those agreements are necessary to Canada and I hope that this government and the Prime Minister will pursue such conversations with other industrialized countries so as to enable Canada to play a still greater part, so that we may feel more free, more independent and be able to live alongside great industrialized countries without any embarrasment whatsoever.

We are happy to welcome the Prime Minister back and I hope that the talks he has and the contacts he made in Europe will soon bear fruit.

* * *

● (1450)

[*English*]

HOUSE OF COMMONS

NEWSPAPER COLUMN BY PRIME MINISTER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to seek leave of the House to propose a motion under the terms of Standing Order 43 on a matter of urgent and pressing necessity arising from the venture into the field of journalism which appeared in the October 23 issue of the *Lanark Era* and other weeklies in Canada headed "Priorities for the Thirtieth Parliament, Pierre Elliott Trudeau, Prime Minister". Seconded by the hon. member for Red Deer (Mr. Towers) I seek leave to move:

That in the opinion of the House newspaper columns dealing with government policy, which are represented as written by the Prime Minister or by any member of cabinet, but which have actually been written by Liberal Party of Canada employees, constitute misleading the Canadian people, possible manipulation of the press for political purposes and they should cease forthwith.

Mr. Speaker: The House has heard the terms of the proposed motion. With all due respect to the hon. member I should re-read the provisions of Standing Order 43 which are as follows:

A motion may, in case of urgent and pressing necessity previously explained by the mover, be made by unanimous consent of the House without notice having been given under Standing Order 42.

Although I do not propose to frequently intervene in respect of the interpretation of urgent and pressing necessity, in this case I must say that the terms of the motion do not qualify in this regard.

Mr. Cossitt: I rise on a point of order, Mr. Speaker. It is basically this. I submit that under the rules it is a matter of urgent and pressing necessity when a form of fraud is committed on the Canadian people in an article purported to be written by the Prime Minister—

Mr. Speaker: Order, please. The hon. member for Vancouver Quadra.

* * *

PUBLIC SERVICE

USE OF TEMPORARY EMPLOYEES AT TAXATION DATA CENTRE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I am prompted by the recent attempts by the Public Service of Canada to obtain, through newspaper advertisements and householder mailings, thousands of inexperienced temporary employees for the Taxation Data Centre in Ottawa, who will become eligible for unemployment insurance benefits at the end of the peak season. This situation exists, Mr. Speaker, because the Taxation Data Centre is a major employer of keypunch operators in Ottawa and the government has made inadequate attempts to spread the workload over the year or to use experienced people already on unemployment insurance or to disentitle part-time or seasonal workers from unemployment insurance benefits. I therefore move, seconded by the hon. member for Parry-Sound-Muskoka (Mr. Darling)

That this House instruct the departments of National Revenue, Manpower and Immigration, and Finance, to co-operate in devising a method of filling the government's needs for temporary workers without imposing an unemployment insurance burden on the Canadian taxpayers.

Mr. Speaker: Order, please. The House has heard the terms of the motion being proposed under Standing Order 43 which requires the unanimous consent of the House before debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent the motion cannot be put.

[Mr. Speaker.]

TRUST COMPANIES ACT

MEASURE TO INCREASE BORROWING POWER OF COMPANIES AND AUTHORIZE ISSUANCE OF SUBORDINATED NOTES

Hon. John N. Turner (Minister of Finance) moved the first reading of Bill S-7 (from the Senate), to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

UIC BENEFITS PAID IN 1970-73

Question No. 7—**Mr. Reynolds:**

1. What was the total number of people who received unemployment insurance payments in the year 1970 and what was the total amount for 1970 of these payments?

2. What was the total number of people who received unemployment insurance in the years 1971, 1972, 1973 and what was the total amount of these payments for each year?

Hon. Robert K. Andras (Minister of Manpower and Immigration):

1.

Year		Initial Claims	Renewal Claims	Total
1970		1,678,969	581,877	2,260,846
1971	Old Act	971,688	467,917	1,439,605
	New Act	890,533	41,980	932,513
	Total	1,862,221	509,897	2,372,118
1972	Old Act	241	71,400	71,641
	New Act	2,051,387	346,890	2,398,277
	Total	2,051,628	418,290	2,469,918
1973		1,957,783	279,746	2,237,529

2.

Year		Gross Benefit Payments
1970		698,840,100.68
1971	Old Act	705,340,548.73
	New Act	190,132,315.00
	Total	895,472,863.73
1972	Old Act	63,870,668.00
	New Act	1,814,845,947.00
	Total	1,878,716,615.00
1973		2,025,625,067.00

REPRINTING OF POLITICAL ADDRESS BY MINISTER OF AGRICULTURE AT NORFOLK-HALDIMAND AND SWIFT CURRENT-MAPLE CREEK

Question No. 31—**Mr. Cossitt:**

With reference to the answers to Questions Nos. 126 and 127 of the Second Session of the 29th Parliament to the effect that political addresses made by the Minister of Agriculture to the annual meeting of the Norfolk-Haldimand Liberal Party on Friday, February 22, 1974 and the Swift Current-Maple Creek Federal Liberal Association on Monday, February 18, 1974 were not reprinted at public expense (a) who specifically paid the cost for the copies of these speeches that were printed on Agriculture Canada paper and on what date was payment made (b) what was the exact date that the Minister stopped printing and circulating at public expense copies of his political speeches to Liberal Party meetings (c) for what reason did the Minister make this change from his previous custom of printing and circulating of such speeches at public expense and, specifically, was one of the reasons that objections were received to such use of public funds?

Hon. E. F. Whelan (Minister of Agriculture): There has been no change in the handling of the Hon. E. F. Whelan's public speeches.

CAPE BRETON DEVELOPMENT NATIONALIZATION OPERATIONS

Question No. 83—**Mr. Fortin:**

1. Has the Cape Breton Development Corporation completed its nationalization operations and, if not, on what date will it complete them?

2. Have the shares or properties of nationalized companies been purchased?

3. What was the book value of each such company at the time of purchase?

4. What were the criteria used to evaluate such properties?

5. Were the former owners paid in cash or interest bearing bonds?

6. What was the price paid by CBDC for the purchase of each company?

7. Did CBDC use Section 10(a) of its Act and, if so, how far advanced are the proceedings?

8. When was the evaluation of the properties of the companies completed after March 30, 1968 (date of expropriation)?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Cape Breton Development Corp. is as follows: 1. Yes.

2. No. The acquisition was effected by expropriation as provided in the Cape Breton Development Corp. Act, Sections 9(e) and 10.

3. Not determined because the assets were acquired by expropriation.

4. The criteria set forth in Section 12 of the Cape Breton Development Corp. Act.

5. In cash from the Consolidated Revenue Fund as provided in Section 19(1) of the Cape Breton Development Corp. Act.

6. In accordance with the Cape Breton Development Corp. Act, the companies were not acquired. Compensation for the expropriated assets was settled for the overall sum of $11,775,000.00 not including interest or costs but, including $7,651,726.60 for coal stocks valued at the cost thereof to the companies as provided in Section 12 (2) of the Cape Breton Development Corp. Act.

7. Yes. the Proceedings were completed when the settlement was judicially approved in December, 1972.

8. As at December 18, 1972.

TRANSPORT—TRANSOCEANIC LANDING FEES

Question No. 86—**Mr. Marshall:**

What schedule of landing fees has been established for overseas stops at Newfoundland airports (a) Stephenville (b) Gander (c) St. John's (d) Goose Bay (e) Deer Lake?

Hon. Jean Marchand (Minister of Transport): The following schedule of transoceanic landing fees is applicable at all airports operated by the Ministry with the exception of technical landings while on transoceanic flights at the Gander and Ottawa International Airports and the Goose Bay Airport: per 1,000 pounds or fraction thereof of the aircraft's weight: $1.33 for aircraft weighing not more than 90,000 pounds; $1.40 for aircraft weighing more than 90,000 pounds but not more than 125,000 pounds; $1.46 for aircraft weighing more than 125,000 pounds but not more than 150,000 pounds; $1.51 for aircraft weighing more than 150,000 pounds.

The landing fee for technical landings while on transoceanic flights at the three airports is 50 cents per 1000 pounds or fraction of the aircraft's weight, with a further reduction at the Gander International Airport as follows: Where arrangements are made in advance with the officer in charge of Gander International Airport by any person, the landing fee for technical landings during a twelve month period of all aircraft operated by that person and landed at that Airport is calculated on the accumulated weight of the aircraft landings as follows: 50 cents per 1000 lbs. on the first 65,000,000 pounds; 45 cents per 1000 lbs. on the next 16,250,000 pounds; 40 cents per 1000 lbs. on the next 16,250,000 pounds; 35 cents per 1000 lbs. on the next 16,250,000 pounds; and 30 cents per 1000 lbs. on excess of 113,750,000 pounds. A technical landing is for the purpose of obtaining ground service for aircraft on transoceanic flights. The special rate was introduced to develop revenue by attracting aircraft to those airports in Canada which are in a competitive position relative to airports in the United States situated within the flight path of aircraft on transoceanic flights.

FEDERAL SUBSIDIZATION OF CANADIAN STANDARDS COUNCIL

Question No. 104—**Mr. Allard:**

Does the government subsidize the Canadian Standards Council and, if so (a) for how many years (b) through what department (c) what amounts were granted in 1971, 1972 and 1973 (d) did the government make a grant as capital for the Council at the time it was created or at some later stage of its development?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Standards Council of Canada is funded by a parliamentary appropriation in the form of a grant. (a) The Standards Council of Canada first received parliamentary appropriation in the 1971-72 fiscal year. (b) The Department of

Industry, Trade and Commerce (c) Fiscal year 1971-72, $481,500; Fiscal year 1972-73, $495,700; Fiscal year 1973-74, $1,010,000; (d) No.

CORPORAL PUNISHMENT

Question No. 173—**Mr. Orlikow:**

1. How many times was corporal punishment used in the year 1972 in federal institutions?

2. How many prisoners had such corporal punishment more than once?

Hon. Warren Allmand (Solicitor General): 1. None. On September 27, 1972, Penitentiary Service Regulation 2.28(4) was amended so that corporal punishment could no longer be imposed for a disciplinary offence.

2. Not applicable.

INCOMES OF FAMILY UNITS BY QUINTILES

Question No. 188—**Mr. Orlikow:**

Of all family units in the years 1968 and 1973, what percentage of the total money income was received by (a) the lowest one-fifth (b) the second lowest fifth (c) the third lowest fifth (d) the fourth lowest fifth (e) the highest fifth?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: No survey was done of 1968 incomes and data on 1973 incomes are not yet available. However, the following figures have been published on 1967 and 1972 incomes of all family units:

Percentage of Total Money Received by Each Quintile

Quintiles	1967	1972
Lowest	4.2	3.8
Second	11.4	10.6
Third	17.8	17.8
Fourth	24.6	25.0
Highest	42.0	42.9

NUMBER OF PROFESSIONAL CANADIANS WORKING IN THE UNITED STATES

Question No. 194—**Mr. Orlikow:**

How many Canadian scientists, research workers, engineers, university professors and medical doctors left Canada to work in the United States in the last year?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Canada does not collect any statistics on persons leaving Canada. However, the United States Department of Justice, Immigration Service, supplies data on the occupations of immigrants admitted to the United States whose country of last residence was Canada. The following data are for the year ending June 30, 1973. Although there is not a separate category for "scientists and research workers" in the occupations listed by the U.S. Department of Justice, the following occupations could be included in that category. Scientists and Research Workers: Agricultural scientists, 9; Biological scientists, 21; Geologists and Geophysicists, 18; Physicists, 15; Miscellaneous natural scientists, 1; Miscellaneous social scientists, 25. Engineers 228; University professors, 83; Medical doctors (listed as Physicians and Surgeons), 274.

GAME MANAGEMENT POLICY IN NORTHWEST TERRITORIES

Question No. 204—**Mr. Firth:**

1. Does the Department of Indian Affairs and Northern Development contemplate carrying out a full-scale public inquiry into alleged misconduct of the former Superintendent of Game Management?

2. Depending on the outcome of such a public inquiry, would the Department consider a thorough review of the hierarchy of the Territorial Government, its powers and responsibilities?

3. Will the Department recommend to the Commissioner that an Advisory Committee be established immediately to approve the issuance of all scientific and complimentary licences, thus hoping to avoid a similar situation in the future?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. No.

2. N/A.

3. Commissioner Hodgson announced September 25 that he would set up a council which would include representatives of native associations and other organizations concerned with game management, conservation and hunting and trapping. The council would advise the Commissioner on matters relating to game management policy and programs in the Northwest Territories, including the issuing of complimentary licences.

DATE OF TENDER CALL FOR PAVING AIRPORT AT LINCOLN, NEW BRUNSWICK

Question No. 223—**Mr. Howie:**

On what date will tenders be called for paving the DOT airport at Lincoln, New Brunswick, serving Federicton and central New Brunswick?

Hon. Jean Marchand (Minister of Transport): A date for calling tenders for this project cannot be predicted at this time.

ALLOCATION OF LIP PROGRAMS

Question No. 231—**Mr. Laprise:**

How much of the $79,442,000 allocated to the LIP Programs for the 1974-75 fiscal year will be allocated to (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) Ontario (f) Quebec (g) New Brunswick (h) Prince Edward Island (i) Nova Scotia (j) Newfoundland (k) Northwest Territories (l) Yukon?

Hon. Robert K. Andras (Minister of Manpower and Immigration): (a) British Columbia, $7,940,000; (b) Alberta $1,811,000; (c) Saskatchewan, $1,636,000; (d) Manitoba, $1,797,000; (e) Ontario, $13,806,000; (f) Quebec, $34,601,000; (g) New Brunswick, $4,724,000; (h) Prince Edward Island, $998,000; (i) Nova Scotia, $3,924,000; (j) Newfoundland, $7,409,000; (k) North West Territories, $511,000; (l) Yukon, $285,000.

REQUEST FOR INFORMATION ON MATTERS PERTAINING TO THOUSAND ISLAND BRIDGE AUTHORITY

Question No. 244—**Mr. Cossitt:**

1. Did Mr. K. W. MacLellan, until recently Director of the USA Division of the Department of External Affairs and Chairman of the Interdepartmental Committee on International Bridges, receive a letter dated April 8, 1974 from the Member of Parliament for Leeds requesting information on matters pertaining to the Thousand Island Bridge Authority at Lansdowne, Ontario and, if so (a) on what date was the letter received (b) was the letter answered and (i) if so, on what date (ii) if not, for what reason?

2. Did Mr. MacLellan's successor receive follow up letters on the matter from the Member of Parliament for Leeds dated September 10, 1974 and September 23, 1974 and, if so (a) on what date were such letters received (b) were the letters answered and (i) if so, on what date (ii) if not, for what reason?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. Yes. (a) April 10, 1974; (b) No. (ii) It was thought proper for the minister rather than an official to correspond with a member of parliament on this subject, which is both complex and substantive. Ministerial approval for actions taken this summer with respect to the Thousand Islands Bridge Authority was also required. Other more urgent demands have not permitted early consideration of this matter but a reply to all correspondence received is now en route.

2. Yes. (a) The letter dated September 10, 1974 was received on September 13, 1974. No date of receipt is indicated on the letter dated September 23, 1974. (b) No. (ii) See answer to 1 (ii).

LOANS UNDER FARM CREDIT ACT—SASKATOON-BIGGAR CONSTITUENCY

Question No. 246—**Mr. Hnatyshyn:**

How many applications were received from the constituency of Saskatoon-Biggar for loans under the Farm Credit Act for each year 1970 to 1973 (a) how many were approved (b) what amount of money was involved (c) what percentage of loans were or are in default?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises that statistics are not maintained on a constituency basis. However, for Rural Municipalities 315, 316, 344, 345, 347, 373, 376, 403, 404, 405, 406, 434, 436 and 466, which closely approximate the constituency of Saskatoon-Biggar, the answer is as follows:

	Applications	(a) Approvals No.	(b) Amount $	(c) Percentage of Loans in Default
1970–71	76	74	2,188,500	15.3
1971–72	87	76	2,150,600	13.2
1972–73	128	102	3,455,700	9.6
1973–74	212	166	7,422,200	6.7

UIC—NUMBER OF INITIAL APPLICATIONS 1970-73

Question No. 263—**Mr. Laprise:**

How many initial applications were made to the Unemployment Insurance Commission in the years 1970, 1971, 1972 and 1973?

Order Paper Questions

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Initial Claims Intake 1970, 1,877,396; 1971, 1,862,200; 1972, 2,051,600; 1973, 1,957,800.

UIC—BENEFIT ENTITLEMENT FOR PERSONS OVER 70 YEARS OF AGE

Question No. 278—**Mr. Herbert:**

Does a man who continues working after his 70th birthday, who has contributed to the Unemployment Insurance Plan up to that date, become ineligible for benefits on the same date and, if so, is it the intention of the government to change such a policy?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): An insured person ceases to be eligible for regular unemployment insurance benefits from the beginning of the month following the date on which he attains the age of 70 years. Similarly, the employment of such a person is specifically excepted from coverage under the Unemployment Insurance Act. Notwithstanding this, a claimant 70 years of age who has 20 weeks of insurable employment in the 52 weeks preceding his claim, or since his last claim, is entitled to a three week lump sum retirement benefit. There is no intention at present of changing this policy.

SUBSIDY TO BEEF PRODUCERS

Question No. 301—**Mr. Whittaker:**

What was the total amount of money paid to beef producers in the way of subsidy in 1974 (a) what was the total given out in the constituency of Okanagan Boundary in 1974 (b) what is the estimated total of the beef herds located in the constituency of Okanagan Boundary (c) is the estimated basic herd increasing or declining?

Hon. E. F. Whelan (Minister of Agriculture): The total of money paid to beef producers in the 1974-75 fiscal year to Cotober 4, 1974 was $45,923,859.69. Statistics by constituency are not maintained and are not available to answer parts (a), (b) and (c) of the above question.

NURSING STAFF—STE. ANNE DE BELLEVUE HOSPITAL

Question No. 314—**Mr. Herbert:**

1. Has the interdepartmental study in the Department of Veterans Affairs into the nursing situation been completed?

2. Is there a serious shortage of qualified nurses in the Montreal area and what action is contemplated to encourage nurses to work at the Ste. Anne de Bellevue Military Hospital?

3. Has recent discontent been expressed by the nursing staff at Ste. Anne's Hospital and are changes envisaged to redress some of the complaints of the nurses?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Yes.

2. No. The average vacancy rate of ten nurses out of some 188 at Ste. Anne's Hospital is not considered serious.

3. It is proposed to form a departmental implementation committee to deal with the specific suggestions made in the study report mentioned in question 1 above, and which report takes account of the views expressed by nurses both at Ste. Anne's and at other locations.

Oral Questions

RECIPIENTS UNDER NORTHERN MINERAL EXPLORATION ASSISTANCE PROGRAM

Question No. 330—**Mr. Firth:**

What were the names of recipients benefitting from the Northern Mineral Exploration Assistance Program (NMEAP) in the fiscal year 1973-74, and what were the amounts of money involved in each case?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Five Star Petroleum, $27,727; Savanna Creek Gas & Oil, $48,371; Trans Columbia Exploration, $1,151; B.C. Yukon Exploration, $3,367; Ice Station Resources, $33,198; Dynasty Explorations Ltd., $50,000; Silver City Mines Ltd., $8,468; J.M. Wheelton, $2,290; Duke Mining Ltd., $15,169; Total, $189,741.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

EUROPEAN ECONOMIC COMMUNITY—PROPOSALS MADE BY CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. I should like to ask the Prime Minister whether he can or will give us a little clearer idea concerning the sort of relationship the government is seeking with the European Economic Community as this does not seem to be very clear from the statement he made today which indicated simply that there would be a study group established to study what kind of relationship Canada wanted with the European Economic Community.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in an aide mémoire of several months ago we proposed to the committee a general approach, declaration and eventually trade agreement between the community and Canada. At a later stage we talked about contractual relationships. Both these were discussed and envisaged during my discussions with the community. They put forward other types of formulae which they were trying out on us. We said we would be very glad to discuss any other approach they wanted to discuss bilaterally. Of course, it is not for me to say what the commission is thinking and doing. We can only speak for the Government of Canada. But I did indicate interest in looking at any other approach which would create this distinctive relationship between the community and Canada which we would be very glad to discuss.

EUROPEAN ECONOMIC COMMUNITY—REQUEST FOR TABLING OF AIDE MÉMOIRE

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary, Mr. Speaker. I appreciate that negotiations must to some extent be confidential while going on but nevertheless in view of the importance of any such relationship to the people of this country and in view of the common practice of any country considering entering into an arrangement with the common market telling its own people what kind of arrangement generally it is seeking, would the Prime Minister table the aide mémoire indicating to the Common Market the kind of relationship Canada was seeking and also would the Prime Minister table any document indicating the kind of contractual relationship Canada is seeking in addition to or as an alternative to the trade proposals.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, of course the Leader of the Opposition is quite right. The people of Canada and members of the House of Commons are very closely concerned with what went on in these discussions. The Leader of the Opposition will remember that in this House two weeks ago in answer to a question, I believe by the hon. member for Prince Edward-Hastings, I indicated there would be nothing concluded at this stage, that we were discussing various approaches and that before anything was finalized certainly there would be discussion in this House.

As to the suggestion about tabling the aide mémoire and that trade agreement, I think it is a reasonable request. I have already discussed it with the Secretary of State for External Affairs. We see no objection, but before giving a firm undertaking I want to make sure that the view I get from the department is that it can in no way harm the future round of discussions. I do not think they will say no. I think in a sense this is une étape, a stage, which has been overtaken. We put these propositions to the Community to put our foot in the door so to speak and so that we could have discussions with them. Now that the discussions are open and they have agreed to continuing them, I see no difficulty in tabling these documents. But, I repeat, I would like to assure myself that there is not some hidden reason which I do not know.

● (1500)

EUROPEAN ECONOMIC COMMUNITY—POSITION ON ACCESS OF COMMUNITY TO CANADIAN RESOURCES

Hon. Robert L. Stanfield (Leader of the Opposition): I assume from the Prime Minister's reply that it has been agreed that discussions be continued but that nothing specific is being discussed at present, or rather that a number of alternatives are being discussed at present.

I should like to ask the Prime Minister whether the report, the indication or the hint of the Prime Minister, or even, to state it more strongly than that, his statement was correct that if the European countries were to have access to our raw materials they would have to be prepared to enter into some appropriate arrangement with Canada; they could not just continue to take for granted reasonable access to these raw materials in Canada without entering into some bigger deal.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, with regard to the first part of the question I must say that the assumption is ill founded. It is not true to say that nothing precise was discussed. I repeat: several months ago the aide mémoire, and then the trade agreement were put before the Community, and in my discussion with Mr. Ortoli, Mr. Soames and other commissioners,

it was obvious to me that our ambassador and officials have done a great deal of work because when I went to discuss the documents with them, they were obviously well known to them and they had thought about them and thought beyond that. So, concrete work has been done by our ambassador and officials.

On the second and unrelated part of the question, the view I took with regard to our raw materials is that we sell them to other countries but we have various policies as conditions to such sales. I mentioned, of course, our policy on upgrading, on control of export of energy, and on seeking greater benefit for Canada from all forms of foreign investment through our Foreign Investment Review Act. These are all explanations I put to the commission on the one hand and bilaterally to France, Belgium and Luxembourg on the other. Nothing was said there which is not already well known as being part of the policy of the government of Canada.

EUROPEAN ECONOMIC COMMUNITY—REQUEST FOR STATEMENT OF SPECIFIC AGREEMENT

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question, Mr. Speaker. In the Prime Minister's quest on behalf of Canada to obtain special trading arrangements with the European Economic Community, does he believe that during the past week in his conversations with the officials of the EEC he received anything more than a very polite brush off from these gentlemen, and if he did, could he indicate one specific agreement which he received which would lead to increased trade between Canada and the EEC in the future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member refers to the questions he asked me a couple of weeks ago, he will find I went to great pains and at great length to explain to him that we were not seeking any preferential arrangements. However, the hon. member chooses to ask questions and not to listen to answers, thus demonstrating each time that his ignorance of the whole thing is abysmal.

Mr. Hees: Mr. Speaker, as it has been known for many months in the government and outside that what Canada had in mind, and what the Prime Minister originally had in mind, was to obtain such a special arrangement with the EEC and that he only came off that pitch within the last couple of weeks before his trip was made when it became evident that we could not get such an arrangement, I still ask him: did he obtain any specific agreement that would lead to greater Canada-EEC trade in the future? Just answer the question, if you please.

Mr. Speaker: Order, please. I have ruled before and I will, if need be, again, that a question asked a second time cannot be regarded as a supplementary.

IMMIGRATION

HAITIANS—REQUEST FOR CONSIDERATION AS REFUGEES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I would like to address my question to the Minister of Manpower and Immigration. In view of the minister's reiteration of Canada's policy of concern for the persecuted and displaced, and of consideration for victims of oppression, will the minister look into the facts surrounding a group of Haitians who have been refused re-entry into their country, according to the Haitian secretary of state speaking for the president of their country, and will the minister invite the Immigration Appeal Board to exercise its humanitarian jurisdiction in favour of this group if he finds that they are indeed refugees and face reprisals if they return to their own country?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are applying the principles of compassion and humanitarian consideration to these applications. If my memory serves me right, we had about 28 specific applications from Haitians, who otherwise would be asked to leave the country, on the basis of being refugees. Such applications will continue to be dealt with on their merits. There is not a declaration of a mass refugee situation but each individual application is placed before either an interdepartmental committee on refugees or the Immigration Appeal Board.

Mr. Brewin: The minister, as the respondent for the cases before the board, has a right to make representations. If he finds these are proper cases and that they may be refugees, will he make representations that they be allowed to stay in this country?

Mr. Andras: We are giving these applications full consideration within the department, and we will take such appropriate measures as appear wise and justified.

* * *

[*Translation*]

AGRICULTURE

FOODSTOCKS AND PRODUCERS' INCOME—FEDERAL-PROVINCIAL CONFERENCE

Mr. André Fortin (Lotbinière): Mr. Speaker, I would have liked to put a question to the Minister of Agriculture but in his absence I will direct it to the right hon. Prime Minister.

During the week-end we unfortunately witnessed incidents of some violence in the province of Quebec. Farm producers showed their discontent because of a lack of income.

Since a federal-provincial meeting requested by the Prime Minister of Canada is scheduled for this week, I would like to ask him whether the matter of food supply in particular will be discussed at that important meeting to ensure that Canada has adequate foodstocks and that food production in Canada is a viable operation.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the main purpose of the meeting to be held Wednesday at my request will be to discuss the problem of

inflation in Canada. As the hon. member knows, the policy of the government is to ensure an adequate food supply. It is quite likely that the question referred to by the hon. member will somehow come up at that meeting.

* * *

[*English*]

EXTERNAL AFFAIRS

EMPLOYMENT OF RENÉ MANTHA BY FIRM UNDER CIDA—REQUEST FOR INVESTIGATION

Mr. Joe Clark (Rocky Mountain): My question is for the Secretary of State for External Affairs following upon a question I asked the other day. Is the minister now prepared to make a full report as to all the circumstances concerning the relation to the government of Canada of Mr. René Mantha who has been called back to testify before the Cliche Commission, has applied for federal pardon, and is now or has been recently working in Africa under the auspices of CIDA?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I undertook to report to the hon. gentleman when I receive information that I require in order to make an answer. I have not yet received satisfactory information. When I do, I will be happy to oblige.

* * *

● (1510)

ADMINISTRATION OF JUSTICE

POSSIBLE CONSULTATION WITH PRIME MINISTER ON PERSONS APPEARING BEFORE CLICHE COMMISSION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, can I direct a supplementary question to the Prime Minister and ask if he personally was consulted regarding any relation to the federal government of any of the individuals who have appeared or are being called before the Cliche Commission and if so, can he advise by whom he was consulted and in regard to which individuals?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I was not consulted as to any individuals who might appear. Of course, the question is very vague. I do not know what individuals the hon. member is referring to but I have no memory of having been consulted on any appearance before the Cliche Commission.

[*Later:*]

Mr. Speaker, may I ask the indulgence of the House to revert to a question put by the hon. member for Rocky Mountain who has just left. I want to put on the record that I took his words literally; I have not been consulted. If he wanted to know if I had been advised of any people being involved in the hearings before the Cliche Commission, the answer would have been yes.

[Mr. Trudeau.]

EXTERNAL AFFAIRS

CYPRUS—POSSIBLE REMOVAL OF CANADIAN CONTINGENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I put a question to the Secretary of State for External Affairs in the absence of the Minister of National Defence and ask whether the government has any intention of using the HMCS *Preserver* when it goes to Egypt to resupply, in a sense, the Canadian forces there for the purpose of removing the Canadian contingent in Cyprus?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have no information on that.

* * *

INDUSTRY

LUMBER—GOVERNMENT MEASURES TO IMPROVE MARKETS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce but in his absence I shall direct it to the right hon. the Prime Minister. With the decline in housing starts approaching something like 50 per cent in Canada, which is bringing about a disastrous situation in our production of lumber especially in Nova Scotia where Bowaters Mersey has announced the closing of its Bridgewater mill in December since they say they have no lumber sales for 1975, what steps is the Prime Minister taking to improve our lumber markets which appear to have gone to pieces all at once throughout the length and breadth of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will be pleased to take notice of the question on behalf of the minister who is leading a trade mission to Brazil and who will be back very shortly.

* * *

NATIONAL DEFENCE

CRASH OF ARMED FORCES PLANE IN MIDDLE EAST—REQUEST FOR REPORT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question which I will put to the Parliamentary Secretary to the Minister of National Defence and perhaps he will take it as notice. Has the minister yet received a report on the plane crash which resulted in the deaths of several Canadian members of the armed forces serving in UNEF in the Middle East? If there is such a report could it be made public? Was there evidence the crash occurred because the plane was fired upon?

Mr. Leonard Hopkins (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, I have no definite information on this yet but I shall look into the matter and give the information to the hon. member.

HOUSE OF COMMONS

NEWSPAPER COLUMNS BY CABINET MINISTERS—INQUIRY AS TO SOURCE OF MATERIAL AND RESPONSIBILITY FOR COST

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Prime Minister and refers to a statement in the *Lanark Era* which says members of the federal government intend to write a series of articles for weekly newspapers during this session of parliament for the purpose of keeping Canadians informed on government affairs. I should like to ask the Prime Minister who is producing these columns and if the production costs are coming from public funds?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot comment on what the *Lanark Era* said, but on the substance of the articles sent to various weeklies with which we feel it very important for the federal government to remain in contact, I would say it will probably depend on which minister. In my case, I am submitted a draft which I look through and sometimes modify. I would think in other cases the ministers themselves will write the articles or submit pieces based on excerpts from their speeches. I forgot the latter part of the question about whether public funds would be involved. The answer is, of course not.

Miss MacDonald (Kingston and the Islands): A supplementary question, Mr. Speaker. Given the fact that all government policies during the election campaign had to be cleared through Liberal campaign chairman, Senator Davey, and given the tendency of those opposite to confuse government statements with Liberal Party propaganda, will the Prime Minister take steps to correct the understanding that these columns are authorized government publications?

Mr. Trudeau: Mr. Speaker, I think the misunderstanding is probably only in the mind of the hon. member.

Miss MacDonald (Kingston and the Islands): No, indeed.

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AGRICULTURE

POWDERED SKIM MILK—MEASURES TO ASSURE CONSUMERS BENEFIT FROM SUBSIDY

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a question for the Minister of Agriculture. In view of a report by the Food Prices Review Board that powdered skim milk prices in stores in British Columbia, Manitoba, Quebec and Nickel Belt—

Some hon. Members: Oh, oh!

Mr. Rodriguez: —I am glad hon. members recognize the fine distinction—are not reflecting the full benefit of the 24 cents per pound government subsidy, and in view of the advice of the Minister of National Health and Welfare to consumers that they should switch to skim milk powder because it is much more economical now that the subsidy on liquid milk has been withdrawn, will the minister

inform the House what measures he intends to take to ensure that processors and retailers comply with the subsidy program?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I will not comment on the long involved preamble to the question, but will say that our officials are aware of the situation and have been discussing it with the Dairy Council and the Retail Council of Canada. Some non-conforming outlets are being informed that unless prices are brought into line immediately the subsidy will be withdrawn from them.

* * *

CONSUMER AFFAIRS

ALLEGED FAILURE OF POWDERED SKIM MILK PROCESSORS AND RETAILERS TO GIVE CONSUMERS BENEFIT OF SUBSIDY—GOVERNMENT ACTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I should like to direct a question to that darling of the Canadian Chamber of Commerce, the Minister of Consumer and Corporate Affairs. In view of what appears to be fraudulent business practice by powdered skim milk processors and retailers in not passing on to consumers the benefit of the federal government's 24 cents per pound subsidy, will the minister inform the House what steps will be taken by his department to recover the money which has been stolen from the public treasury?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I shall certainly refer the remarks of the hon. member to the Director of Investigation and Research who will take action in accordance with the provisions of the act.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

POSSIBILITY PATTY HEARST IS IN CANADA—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Solicitor General. To what extent is the minister showing an interest in reports that Patty Hearst is in Canada?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am, of course, interested in this matter like everyone else but I have not had any indication from the RCMP that these reports are true.

Mr. Alexander: A supplementary question, Mr. Speaker. Can the minister advise whether an ongoing watch is being kept in this regard?

Mr. Allmand: Mr. Speaker, I cannot advise the hon. member that there is any ongoing watch but there have been inquiries from time to time and I shall check on it again.

Oral Questions

URBAN AFFAIRS

METROCENTRE PLAN, TORONTO—REQUEST FOR FEDERAL SUPPORT

Mr. A. C. Abbott (Mississauga): Mr. Speaker, I should like to put a question to the Minister of State for Urban Affairs. The mayor of Toronto made a statement today in connection with the council of Toronto supporting the MetroCentre plan subject to certain conditions being honoured and certain co-operation being derived from the federal government. Can the minister advise that the government will be co-operating closely with the city of Toronto to ensure that this project goes forward?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am not aware of the precise nature of the mayor's announcement but I have had discussions with him on several occasions relating to different programs. A very fruitful area for discussing the plan would seem to be the Railway Crossing Relocation Act, if the province of Ontario would agree that this is a program in which they wish to participate as other provinces have.

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VETERANS AFFAIRS

DEER LODGE HOSPITAL—POSSIBLE TRANSFER TO PROVINCE OF MANITOBA

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Veterans Affairs with regard to the Deer Lodge Military Hospital in Winnipeg. On October 16, at the Standing Committee on Veterans Affairs the minister stated that no negotiations were being held with regard to transferring the responsibility of Deer Lodge Hospital to the province of Manitoba because of the objections from the Canadian Legion. On October 22, the Deputy Minister, Dr. John Hodgson, stated he was not aware that negotiations had ended but, in fact, they were going very well. As there appears to be a lack of communication between the minister and his deputy on this subject, will he now clarify the transfer situation?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, first and foremost there is no lack of communication in my department. Negotiations concerning Deer Lodge are the subject of discussion at any time. The statement I made to the hon. member in the Veterans Affairs committee was that the provincial command of the legion had passed a resolution expressing its desire that no transfer be made. That resolution still stands and my statement was to the effect that this resolution stands. That is still the situation, sir.

● (1520)

Mr. McKenzie: Mr. Speaker, the chairman of Manitoba Health Services is as confused as everybody else. He has had negotiations with the deputy and has had correspondence with regard to the transfer. So, the minister has not clarified anything.

[Mr. Allmand.]

POST OFFICE

ALLEGED BOYCOTT OF POSTAL CODE BY EMPLOYEES—MEASURES TO IMPROVE SERVICE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, may I direct a question to the Postmaster General. What steps has the minister's department taken to end the ongoing boycott of the postal code by post office employees, or is he agreeing with the employees and considering some alterations to the postal code system?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, there is absolutely no evidence that any such boycott or proposed boycott has any detrimental effect on the movement of mail.

Mr. Jelinek: A supplementary question, Mr. Speaker. Boycott buttons are available. I will send the minister one after the question period. As most members of this House see daily examples of poor mail delivery from all parts of Canada and as some cases involving business mail delays in postal service bring financial setbacks—for example, in Toronto an important business document was mailed in that city on September 25 and received a few blocks away on October 8—can the minister tell the House what positive steps, if any, are being taken by his department to improve the totally unacceptable postal service Canadians are being asked to take for granted.

Mr. Mackasey: Mr. Speaker, the first thing we are not doing is casting aspersions on the 53,000 postal workers who are doing their very best to provide service under existing conditions. Second, we are keeping an eye on the efficiency of the post office, which has been rising weekly for the last three months. Third, I suggest to the hon. member that he visit a branch with me as other hon. members have and he will be satisfied that the morale of the post office is quite high and that service is up to normal.

* * *

IMMIGRATION

SUGGESTED ADVANCEMENT OF DATE OF PUBLICATION OF GREEN PAPER

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of growing public concern over the forthcoming publication of portions of the green paper on immigration, those dealing especially with the new special position of francophones and the apparent changes from nominated procedures to those involving job availability, will the minister be advancing the date of publication of the green paper?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are as keen as anybody else to get this process completed and place the green paper in the hands of the public for examination.

[*Translation*]

NATIONAL PARKS

ASSURANCE REQUESTED THAT GUIDES ARE BILINGUAL

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to put a question to the Minister of Indian Affairs and Northern Development, who is responsible for national parks.

Could the minister tell the House if information officers in national parks throughout Canada, whose mission is to offer guidance to people, have a sufficient knowledge of both official languages and, if not whether he intends to take any action to remedy the situation?

[*English*]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I understand that efforts are made to provide brochures as far as possible in both official languages and personnel are on hand to deal with visitors in both official languages.

[*Translation*]

Mr. Allard: I do not think the hon. Minister understood my question. It was as follows: do the tourist information officers in Canada's national parks have a knowledge of both official languages sufficient enough to be able to provide adequate information to tourists, whether they are Canadians or foreigners? If not, does he have the intention to take the necessary steps to correct the situation?

[*English*]

Mr. Buchanan: Mr. Speaker, I understand that personnel are available at every national park who can communicate with visitors in both official languages. For instance, yesterday I was at Point Pelee with a person from France. There were people at the interpretation centre who explained things in French and in English. The same is true of the guided tour. I think that is the policy in all our national parks.

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THE CANADIAN ECONOMY

MARITIME PROVINCES—ALLEGED GLOOMY ECONOMIC FORECAST BY PUBLIC WORKS DEPARTMENT—PARTICIPATION BY DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Public Works. On Friday last the Montreal *Gazette* carried a streamer which read: "Good decade seen for all but the Maritimes." The story then went on to refer to a study undertaken by the federal Public Works Department—

An hon. Member: Come to the question.

Mr. Hogan: I am coming to the question—which came to the above gloomy conclusion concerning the development of the Atlantic provinces in the next decade. Will the minister tell us if he intends to table the study done by officials of his department.

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I have not seen this particular study but will inquire and provide the hon. gentleman with the answer.

Mr. Hogan: A supplementary question, Mr. Speaker. Can the minister tell the House if the officials who did the study had the cooperation of the Department of Regional Economic Expansion in doing it? I ask this because it seems to me to indicate that the Atlantic region cannot expect in the next decade to improve its economic position under DREE policies.

Mr. Drury: Mr. Speaker, I will take note of that question, too.

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ENERGY

OIL SANDS—SUGGESTION SHELL OIL OF UNITED STATES DESIRES TO SELL ITS INTEREST—POSSIBLE CANADIAN BUYER

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce, may I direct my question to the Minister of Energy, Mines and Resources. As Shell Oil of the United States wants to dispose of its half interest in its oil sands property, is the minister aware of any other Canadian group, such as Canada Development Corporation, which is willing to pick up this valuable property.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am not aware of any at the moment. The position of Shell Oil of the United States basically stemmed from the fact that there could be no assurance that the firm would obtain export permits for this oil or a tax write-off arising from the property. I am sure that, in addition to the CDC, the Ontario Energy Corporation or even the Alberta Energy Corporation might be interested in this particular development.

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PENITENTIARIES

ST. VINCENT DE PAUL—ESCAPE OF FIVE INMATES—REASON FOR AVAILABILITY OF GUMS AND SPECIAL INSTRUCTIONS ISSUED BY MINISTER

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question to the Solicitor General concerns the continuing mystery surrounding the escape of five extremely dangerous inmates from Laval maximum security institution. Is the minister now in a position to advise the House how an accomplice was able to smuggle a bag with two guns and a rifle into that institution, why the special instructions of the minister to the commissioner concerning these inmates were not followed and why the minister was not advised of the warning given by the Quebec Provincial Police three weeks before that the escape would be attempted.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the hon. member asked several questions. I will try to deal with them all. First, it seems that the guns were

smuggled into the visiting room of that penitentiary because the regular checks were not made. Why they were not made on that occasion I still do not know. I still have not obtained the answer. As to the second question asked by the hon. member, who asked why I was not advised about the letter from the Quebec Provincial Police saying that there might be an escape from the institution, I can only say that many letters are received of this nature from time to time, most of them turning out to be negative, not positive. It is not the custom of the penitentiary authorities to let the minister know about every letter which warns of an escape. I do not know if I dealt with all the hon. member's questions. There were three or four; I am not sure if I can remember the others.

Mr. O'Sullivan: A supplementary question, Mr. Speaker. Why did the minister take such a special interest in these inmates that he issued special instructions that they be guarded with extra care. Why did he issue special instructions if he did not think they were going to escape and if he was not warned that they would attempt to escape. Further, why were not these instructions carried out?

Mr. Allmand: Mr. Speaker, I issued special instructions with respect to some of the inmates because they had escaped last June, in the middle of the election campaign.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): Did they vote Liberal?

● (1530)

Mr. Allmand: Several of them had escaped previously. I felt this was a serious matter. I asked that these particular inmates be given additional surveillance because they were dangerous and known to be very adept at escaping from penitentiaries. It was for that reason I did this.

Mr. O'Sullivan: Mr. Speaker, is the minister advising there is a special policy for escapes that take place during election campaigns?

Mr. Allmand: No, Mr. Speaker. There is a special policy for people who escape, are dangerous and have a record of escapes.

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EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—REQUEST FOR STATEMENT ON CANADIAN POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the Secretary of State for External Affairs. It adverts to a question asked him October 10. It is prompted by his remarks over the weekend regarding the World Food Conference in Rome. Has the government now decided what our contribution will be to this very, very important issue and when will the minister tell the House what Canada will be doing?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, very soon the final decisions will be taken. I did say I would consider making a statement in general terms about the attitude the government will take, although I did mention on Friday, I believe in response to a question from the hon. member for Greenwood, that it would be inappropriate at this point to disclose the details of specific responses or undertakings that might be made by the government. In my view, these undertakings ought to be made at the conference where they may have some impact on the attitude of other member states.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the Secretary of State for External Affairs whether he is working on a position or a posture.

Some hon. Members: Oh, oh!

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[Translation]

ADMINISTRATION OF JUSTICE

REQUEST OF FEDERAL AID FOR QUEBEC POLICE FORCES—HOLDING OF A TELEVISED DEBATE

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I wish to put a question to the hon. Solicitor General.

Does he intend to accept the challenge from the hon. Jérôme Choquette, Minister of Justice of the province of Quebec, who asked that a televised debate be held on the matter of cost sharing as far as police forces are concerned?

[English]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, last Thursday I received a long letter from the attorney general of Quebec replying to my earlier letter to him regarding police costs in Quebec. At the end of his letter he challenged me to a debate on television with respect to this matter. I spoke to him by telephone soon after receiving the letter. He clarified some points in the letter. I told him I would reply to the points raised in his letter and the challenge some time this week. I have not yet made a final decision on these matters.

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ENERGY

SARNIA-MONTREAL PIPELINE—ASSURANCE INTERPROVINCIAL PIPELINES WILL PROCEED WITH CONSTRUCTION—DATE OF COMPLETION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources regarding the present status of the proposed pipeline from Sarnia to Montreal. In view of the fact the hearings before the National Energy Board on this application were adjourned sine die at the request of Interprovincial Pipelines in order that they might seek assurance from the minister regarding a guarantee of throughput, I wish to ask the minister two short questions. First, has the minister met with the officials of Interprovincial Pipelines and has he reached some agreement that will ensure the pipeline will be proceeded with in the near future? Second, in view of these discussions with Inter-

provincial, can he now give some date when he expects the pipeline will be completed?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, late last week my officials met with officials of the company who set out for government officials some of the financial circumstances causing them concern and some possible methods of overcoming these. A meeting which would have taken place has been adjourned until later this week so that my officials will have a chance to examine these proposals. I will then have an opportunity of considering them prior to meeting with the officials of the company. It is our wish to resolve as soon as possible this one remaining question with regard to the pipeline so that it can go ahead at the earliest possible date.

SARNIA-MONTREAL PIPELINE—GOVERNMENT POSITION ON CONSTRUCTION OF ALTERNATIVE NORTHERN ROUTE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact the Sarnia to Montreal route was accepted in preference to an all-Canadian northern route merely because the former would be completed in 1975, and it appears that this will now be 1976, is the government considering reverting to the northern route in order that we might have oil supplied through that route which would give us security of supply?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): That might ultimately come, Mr. Speaker. With the greater security I agree. The time frame, of course, would still be extended beyond the time for completion of a Sarnia to Montreal connection. Of course, the financial exposure of all involved, whether the government of Canada or the company, would be very much greater. It would appear to be a thousand mile longer route than that which is proposed.

SARNIA-MONTREAL PIPELINE—POSSIBILITY OF CONSTRUCTION BY GOVERNMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a final supplementary. If there continues to be delay by Interprovincial, is the government willing to itself build a pipeline and put it under the jurisdiction of the proposed Canadian petroleum corporation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have taken very careful note of the cooling ardor of Interprovincial Pipelines in this regard. The possibility suggested by the hon. member is one we have indeed been considering.

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INCOME TAX

EFFECT OF INDEXING PROVISION—NUMBER OF TAXPAYERS REMOVED FROM TAX ROLL

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. In view of the minister's statement on Friday that he would be saving taxpayers' money in 1975 as a result of indexing of taxation, will he state if in fact an average taxpayer who simply preserves his buying power in 1975 through a wage increase or otherwise will pay less federal tax in 1975 than in 1974 or is it not correct the person who runs hard to stand still in buying power will have to pay more federal tax in 1975 than this year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the purpose of indexing is to attempt to restore to the taxpayer what inflation would have done to his income tax bracket by putting him into a higher bracket. It is true that indexing does not wholly compensate certain brackets for the total effects of inflation.

Mr. Stevens: Mr. Speaker, in the same press release the minister indicated he would remove 225,000 taxpayers from the tax roll. Can he indicate whether any of those 225,000 were included in the one million he dropped from the rolls in his May 8, 1972 budget speech or the three quarter million which he dropped February 19, 1973 and the many hundreds of thousands he dropped in his last budget speech, bearing in mind Department of National Revenue returns show that the number of Canadian taxpayers increase year by year or is the minister in fact recycling taxpayers for his own press blurbs?

Mr. Turner (Ottawa-Carleton): As the hon. member understands full well, Mr. Speaker, were it not for indexing, there would have been 225,000 more taxpayers on the roll than there would have been in 1975 without indexing. As a result of the indexing, 225,000 people will not be on the roll.

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UNEMPLOYMENT INSURANCE

ENTITLEMENT TO BENEFITS OF TEMPORARY EMPLOYEES AT TAXATION DATA CENTRE—EFFECT ON BUDGET FOR PROGRAM

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of National Revenue. A number of days ago I asked him about the employment of key punch and other temporary workers at the Taxation Data Centre in Ottawa. His response was he would make an inquiry into the situation. Has the minister determined today that these temporary workers are in fact entitled to unemployment insurance benefits and is he going to have his department set to work to find a method of dealing with this problem which will remove this unnecessary burden from the taxpayers of Canada?

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, our first consideration is whether these people qualify. They must qualify under the requirements of the Unemployment Insurance Commission Act like all other Canadians. Second, the answer to this question should really come from the minister responsible for the Public Service Commission. The Public Service Commission takes every possible step to hire as many people for the Data Centre as possible, including those presently on unemployment insurance, those presently unemployed,

and those who traditionally come in and assist the Data Centre on a part-time basis year by year.

Mr. Clarke (Vancouver Quadra): Mr. Speaker, I wish to direct a supplementary question to the Minister of Manpower and Immigration. Is the minister aware of the situation that exists in this and other government departments as this will affect his budget for the unemployment insurance scheme?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am, of course, aware that other departments hire temporary help and we are in consultation with the Public Service Commission and other departments which require additional staff from time to time.

● (1540)

GOVERNMENT ORDERS

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, POWERS OF INVESTIGATORS, OFFENCES

The House resumed from Tuesday, October 22, consideration of the motion of Mr. Ouellet that Bill C-2, to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Gordon Towers (Red Deer): Mr. Speaker, it is a pleasure to take part in the debate on this bill, one which is of vital concern to almost all Canadians whether they recognize it or not. The measure will certainly have a direct effect on a great many small businesses in this country and, though some people may not realize it, it will thus have a great bearing on the interests of consumers. By destroying competition, the legislation which has been brought before us is likely to have a harmful effect upon the future well-being and financial consideration of consumers, despite any short-term benefits which some may think it appears to offer.

This bill has been treated like a dirty shirt by the government. It has grey areas. It might even be referred to as a grey bill. It is moth-eaten, it is worm-infested, and it is an ill-conceived piece of hypocrisy. While the Minister of National Health and Welfare (Mr. Lalonde) may think he has a problem trying to deal with bugs in hamburger, I suggest the Minister of Consumer and Corporate Affairs (Mr. Ouellet) will have a great deal more to deal with in the future if this bill passes in its present form. In order to describe this measure adequately, small businessmen might have to go to a former president of the United States and ask whether he has any unused expletives to spare.

I think Mr. Speaker should have the authority and the responsibility to order a minister to withdraw a piece of legislation which does not measure up to a certain standard. The piece of legislation before us today certainly does not measure up. I think it is arrogant of any minister to ask the House to receive legislation which, he says, will be amended during the committee stage. There is no reason why this bill should not be withdrawn. The amendments should be made, and only then should it be returned to the House for second reading. These proposals are not fair to businessmen, they are not fair to the consumers, and they are not fair to the House of Commons. The amendments are of great importance and we should have unlimited time in which to discuss them. Such is not the case during the committee stage, for everyone recognizes that committee members do not have unlimited time in which to enter into debate with the minister or to ask him questions. A question was asked on Friday by my hon. friend from Capilano (Mr. Huntington), as follows:

I have a question for the Minister of Consumer and Corporate Affairs. Further to the request of members from this side of the House on Tuesday of this week that the minister's proposed amendments to Bill C-2 be tabled, would the minister tell us if he now intends to table his amendments, and, if so, when?

The minister replied by saying the amendments would be introduced when the bill was considered in committee. This is not good enough: it is not fair and it is not just. In proposing this legislation, the government is being unfair to Canadians by creating bureaucratic regulations, purporting to be for the benefit of the people, which in the long run will cause more hardship and will ultimately hurt the vast majority of our people including, of course, consumers. I believe the bill to be a farce. No doubt to those who are adherents of socialism, "profit" is a dirty word. In a socialistic country a person does not need to worry about profit because there isn't any for anybody.

I must remind hon. members that, although there are two airlines operating within our borders, they both charge approximately the same rates. Air Canada, the government-owned airline, was the one which first requested permission to increase its rates—and there is no doubt in the mind of any person familiar with these airlines that Canadian Pacific is much more efficient than its competitor and that its service is better.

I believe, and I am confident that most hon. members and all Canadians will agree, that no segment of our society while holding a monopoly should have the right to deliberately gouge our people. There should be some guidelines. But the question is: should the profit margin be determined according to unspecified, arbitrary, government-established councils responsible to no one? When we are faced with a situation of this type, we have to ask ourselves: are we to surmise that all knowledge of industry and business is to be found within the cabinet or government departments? While some individuals in both sectors would perhaps like to give the impression that they have a monopoly on resource knowledge, I for one feel there is a greater supply of ability and know-how within business and industry. In view of this circumstance, why should a profit margin base be created by inexperienced technocrats and bureaucrats?

Mr. Speaker, what is the matter with proper competition? I want to make it abundantly clear, however, that I do not wish to protect the suppliers of the necessities of life at the expense of being unfair to consumers. This will definitely happen if we destroy competition within the

business sector. Nothing can take the place of competition, and competition should come from competitive operations and not government restrictions.

● (1550)

I am wondering whether or not the minister has consulted his colleagues in cabinet about the operations of Information Canada. I have here an article which states that a government publication is a best-seller. It suggests that the federal government has a runaway 65-cent best-seller in its latest set of proposals for new business competition law. It goes on to state that this is one set of proposals that may soon be headed for critical review in parliament and in the business community. The reason it is a best-seller is that people in small business are very interested in the bill now before us. I should like to see whether the sales policy of Information Canada can stand up against the regulations in this bill.

Within this government there seems to be a tendency for each minister to set up his own private empire: each one appears to want to operate entirely unto himself. This situation is probably encouraged by bureaucrats who are well entrenched in their departments and have been dictating policy for so long that they are of the opinion it is their right to forge ahead without considering the consequences to this country and its citizens.

Are there to be provisions in this legislation to control government departments? All departments of government must realize their dependence one upon another—and this has to start with the minister. The Prime Minister, as head of the government, should be responsible for co-ordinating uniting programs and policies within all government departments and agencies. The government is not the place within which to construct personal ivory towers, to build egos or to enter a race to surpass another department or its minister.

The government is a body of people who are all public servants whether elected, appointed or placed in office by merit, and unless these employees of the people co-operate and consider the people—who, after all, pay the bills—no single department can efficiently reach its goal or render a useful service. There is a great deal of dissatisfaction among Canadians over the arbitrary action of governments and government departments. As I tried to point out earlier, this is why the book available from Information Canada is being so widely purchased by businessmen.

As was said by the minister, this bill is only window-dressing. When answering questions in this House about the action the government was going to take to allow reasonable profits without deliberately gouging the Canadian people in the area of manufacturing, the Prime Minister's pat answer has always been the same, namely, that the bill now before the House should be passed. How naive can the Prime Minister become, and how misleading is this statement? Does he honestly believe he can tell Canadians in general and members of this House that Bill C-2 will have any positive consequence? Instead of the bill being referred to as the competition bill, it should be referred to as the "get the government off the hook" bill. The only difficulty is that it will not get this government off the hook but will, instead, prove how inadequate government policy is and can be.

We must realize that at the speed governments function, it will take an extended period—maybe even years—for any action, and in the meantime legitimate business will suffer. I take particularly strong exception to the provision in this bill which allows the commission to make ultimate decisions in respect of prosecution. I have a terrible fear about putting unlimited power into the hands of any individual, no matter who he may be—and I would even include the minister in that statement. I refer to clause 5 of the bill wherein it is provided:

> One of the members may be appointed by the governor in council to be vice-chairman of the commission and any member so appointed shall, whenever the chairman is absent or unable to act or whenever there is a vacancy in the office of chairman, exercise the powers and perform the duties of the chairman.
>
> The governor in council may designate a member to exercise the powers and perform the duties of the chairman of the commission whenever the chairman and any vice-chairman are absent or unable to act or whenever the offices of chairman and vice-chairman are vacant.

The clause provides, further, that certain subsections of the act are to be repealed and the following substituted:

> Two members constitute a quorum. The commission may make rules for the regulation of its proceedings and the performance of its duties and functions under this act.

This is not the way in which a business should operate. Surely some responsibility should be placed on the government and on the House of Commons to establish a set of regulations that will be acceptable to the Canadian people and will get the required job done. I have faith in the justice of the courts in Canada, but I have doubts about the justice or judgment of some members on the opposite side of this House. Let us consider two government debts, the operations of the CBC and the Canada Council. I suggest neither one of these would establish faith in the minds of Canadians. Many honourable members on the other side of this House were saying, during an election campaign, that the land was strong. I should like to quote some figures about government increased debt including the year 1972.

The national debt of this country has increased rapidly in the last few years. It is my understanding that the increase from 1969 to 1972 was some $12 billion. How can anyone suggest that the land is strong with that kind of increase in our national debt? As was pointed out by the hon. member for York-Simcoe (Mr. Stevens), the Department of Consumer and Corporate Affairs was originally expected to operate on a budget much less than the present cost of that department. The hon. member pointed out that there has been a cost to that department of $450 per phone inquiry and $1,250 per written complaint. I suggest this increase is paid by the consumer, the very person this bill purports to protect. Let us for a moment consider the statements made by members on the other side during the last election campaign. There was a promise in respect of $500 for each new home owner. There was a promise in respect of there being an Air Canada improvement in Winnipeg. Neither of these promises has been kept, and we have heard little or nothing more of them.

This bill is supposed to protect the consumer against false advertising. I am wondering if this government could be charged because of the false promises it has made in order to get elected. What has been done in respect of the

present subsidy on beef? The Minister of Agriculture (Mr. Whelan) stated that the subsidy on beef would benefit the Canadian people. To the present time there has not been one dollar in the way of subsidy chargeable to the Canadian treasury, and at the present rate there never will be anything paid out under this policy. Catastrophe will have to strike the industry if anything is ever paid out. On top of this, the Minister of Agriculture has egg all over his face as a result of the destruction of some 28 million eggs. The whole situation does not smell too good. But it is useless for him to travel around the country telling the people he is protecting the beef industry, when actually that is not the case.

● (1600)

We find that most of the government's vote-getting promises are not being kept. Could this not be taken as false advertising or misrepresentation? This bill does not allow anyone to use false or misleading advertising. If a private individual or enterprise follows the same pattern, there could be prosecution. But can you imagine, Mr. Speaker, a governor in council appointee as provided for in clause 5 laying a charge against those who appointed him? Let us consider subclause 9 of clause 5: it provides as follows:

> The commission may make rules for the regulation of its proceedings and the performance of its duties and functions under this act.

As I said earlier, this House of Commons should ensure that these regulations are spelled out by the highest court in Canada, the House of Commons. This subclause spells out, to me, just one thing. The commission will not be required to take any action if it does not wish to do so; yet it is given devastating power that could be very detrimental to business. What kind of thinking is this? It certainly does not signify a good omen for those who are not in favour of this legislation. Palsy-walsyism is something which Canadians can ill-afford: it is not fair; it is not just; it is not necessary.

I would ask the minister what effect this bill will have on the franchise system that now protects small business and industry. Take, for example, a small Pepsi-Cola plant which employees 10, 12 or 15 people. Such a plant does not mind the competition it receives from another Coca-Cola or any other soft drink plant. But I assure you, Mr. Speaker that if this bill does allow a competitor to move in on it with a like franchise, taking over some of the business, such a company will inevitably go bankrupt; perhaps both, and, as one representative told me, welfare is the next step. So I wonder what the government and this minister are trying to bring about by placing before this House a bill that will have such an effect and does nothing to ensure supply of the product required by the consumer at a low price.

For instance, while one company might have its bottles out on a five-cent deposit, there is nothing to stop a competitor moving in and offering ten cents for the same bottles, because the value of the bottle might be anything between 12 cents and 15 cents. There is nothing in the bill to protect the industry in this way. If the system is destroyed, the result will be higher prices.

The present bill does little to help independent retailers who are being forced out of business by large chains and department stores. While the Restrictive Trade Practices Commission would be given jurisdiction over supply and sales practices, it would have no power to halt mergers, prevent underselling or any of the means by which large companies and chain stores eliminate their competitors. The minister has indicated that the legislation will be used to regulate the larger corporation and will not interfere with small business. If this is so, the minister should specify what size of corporation or business will be subject to the regulations under the legislation.

An amendment could be introduced to the effect that a business with assets and sales of less than a certain amount could not be said to be engaging in a restrictive trade practice. The question is important, because these people are spending a great deal of money in an effort to protect their interests. They do not know what they are actually up against. They are more or less shadow-boxing and are spending money they can ill afford. This money eventually will have to come from Canadian consumers.

Mr. Speaker, I have asked what is to be done about a political party which does not live up to its promises. Is the individual who made a specific promise to be held responsible, or will the officers of the political party be held responsible? Under the jail sentence provision, upon conviction, in respect of Bill C-2, the present Liberal government, by not fulfilling its election promises, would be faced with deciding whether its leader should be sentenced to jail, or whether the penalty should be paid by a section of the Liberal representatives in the other place who formed a large part of their party's organization in the recent election.

For a moment, Mr. Speaker, I should like to bring to your attention the proposal of the federal take-over of Polymer last year by the CDC. If this corporation should be guilty of an infraction, would an arm of government be prosecuted? These are questions which should be answered in this House rather than in the committee. I have emphasized many times that communication between government departments is almost impossible to detect. I ask the Minister of Finance (Mr. Turner) if he is prepared to live with this legislation of the Minister of Consumer and Corporate Affairs. Is he willing to sell government bonds, under current advertisements, with proclamations of stability and a solid return on investment? The advertising might be fair if inflation were under control, but let us consider what actually happens to those who purchase government savings bonds in good faith. I think I should tell members opposite a fact of which everyone in Canada should be aware, although apparently they are not.

If an individual buys a government bond this year, at the present rate of inflation, in two years' time he will probably suffer a loss of 6 per cent in respect of the value of the bond. He will lose that much in actual net worth, yet the Minister of Finance says government savings bonds represent a stable operation, a stable commitment and a stable investment. We have this legislation which specifies that business must "do as I say, but don't do as I do". This bill is for those who produce, manufacture and develop. It does not apply to those who have the fun of spending—in this case the federal government. I am sure that the people of Canada during the recent election were

not aware of the double standard this government was about to foist upon them.

What about large union organizations which rip off their members? Do they give a fair return for dues collected? What about the promises made to non-union employees to entice them to become union members, and what happens to large amounts of membership dues which are siphoned off for the benefit of the hierarchy of union administrations without any thought of return to benefit of their individual memberships? Clause 2 exempts authorized collective bargaining units from the restrictions of this bill. While it may be neither politically, socially nor economically desirable to regulate collective bargaining, unions clearly have an impact on competition and discussion should be initiated on the competitive legitimacy of some of their practices. Large unions are fighting for power and domination over the people.

I have serious doubts about other areas of the bill. There is nothing in this bill to give the consumer, the Canadian people, the protection which is necessary in the most vital area of our economy. While the commission has tremendous power, it is not obliged to consult an accused before prosecution. It should have to advise the respondent of the complaints made, and what are the alternatives. Such, however, is not the case.

It is often the case, when governments introduce complex legislation which has taken ministers and senior public servants months to prepare, that the average person sits back and thinks that these are matters which cannot affect him. But such is not so. This legislation will affect every Canadian. We in the opposition stress as strongly as possible that it is important Canadians know what is incorporated in this bill, and what the consequences might be. Many Canadians adopt the attitude that it does not matter. Although it must be conceded that this is a long and confusing bill, even big businessmen have difficulty in interpreting some of its provisions. It must be taken very seriously, because it involves sweeping changes in business and commercial activity across this country.

● (1610)

This is why I say—and I say it very sincerely—that the minister should have been honest and presented his amendments with the bill; otherwise he should have withdrawn the bill and presented it when it had been amended because, at present, although it has been said that the legislation does not conflict with marketing boards, by the same token the bill provides that an individual cannot withhold anything from the market. This is what marketing is all about, and there is a great deal to be explained to the Canadian people regarding this proposed legislation.

What about the Canadian Wheat Board? Will their selling procedures be considered legitimate? This is not explained in the bill. That is why the minister should rise in this House and state unequivocally what the amendments will be. One such amendment could incorporate legislation which would wipe out all the freedom that has been given to marketing boards, thereby destroying a surety of continuing production of basic products for the benefit of Canadians. The minister may say, "No, we do not intend to do that," but what guarantee do we have that once the legislation is passed and the toe is in the door, the Canadian people, the Canadian producer and the Canadian consumer will be protected?

I impress upon the House that we need increased production. While we may have a favourable trade balance, I should like to stress the fact that in 1972, 1973 and 1974 this favourable balance was brought about in respect of exporting our raw materials and basic agricultural products, but in every other area we were down. In no quarter did we export more manufactured products that we imported—and this is where we must build our economy; this is where the jobs are. What is the use of having a product in Canada to sell if we have no purchaser for it? If people do not have the income with which to pay for the product, it is useless to produce it.

The minister has been less than fair in presenting the bill in this form. He would do well to withdraw it and to bring it back in a form acceptable to the House, with the proposed amendments so that we know what we are debating.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, this is not the first time legislation of this type has come before the House, and it will not be the last time I will be critical of it. In my view, no single piece of mythology has been more persistent and more harmful to this country than the continuation of the idea that somehow or other we can solve the defects in our present economy and our market system by legislation dealing with combines or restrictive trade practices. In my view, aside from a few regulating suggestions which appear in the bill—which could be handled by the Department of Consumer and Corporate Affairs without any difficulty—we should abandon such an approach to solving consumer and marketing problems in this country. I would like to give some reasons for saying that.

First, I would have some positive feeling for the legislation if I thought there was any chance that it might work. The evidence is that it has never worked in the past, and there is no real reason to believe it will work in the future. If you look at the number of convictions under the Combines Investigation Act, you will find almost none. There is good reason for this. It is almost impossible to obtain evidence of the kind that is necessary to get a conviction. Usually, when a conviction has been laid it should have been for stupidity, not for collusion, because you have to be very stupid to be convicted under the Combines Investigation Act.

One of the cases that I recall concerned cement, in Windsor. Some people were working in collusion in fixing the price of cement in the area. They kept minutes of the meetings and called in their lawyers because they did not trust each other. That is one way of fighting it. Another case was, I think, in Hull dealing with the construction industry. One firm had a brother-in-law there who made notes of the bids everyone was going to make, and in the course of opening the bids the brother-in-law's little memos fell on the floor. That is about the only kind of case in which you get convictions under the combines legislation. Often, even where it appears to work it does enormous harm to the extent that combines legislation is sometimes a restraint in the wrong way.

I think that the effective harm of the combines legislation is that it prevents our coming to grips with the real problem. It is a kind of camouflage, a pretence, a way of fooling the public and saying, "Oh, yes, we have the situation under control," when in fact nothing is being done, or nothing in fact can be done, with this kind of approach. The real problems continue. The government can say, "We brought in amended combines legislation, so you should be happy." It seems to me that combines legislation is the businessman's best friend. Despite all the crying that the businessman does about combines legislation, in fact he depends upon having legislation of this kind in order to take the heat off him to the extent that nobody will investigate him because, after all, one is protected against shennanigans.

If you ask a minister, in the House, what he is going to do about an instance that arises, such as when today my colleague the hon. member for Nickel Belt (Mr. Rodriguez) asked the Minister of Consumer and Corporate Affairs (Mr. Ouellet) a question about the pricing of dry milk, the minister says he is sure his officials will consider the matter, and so will people in the combines branch. When? In five, six or a hundred years from now—which is to say never. The point was that an important question was asked in the House and the minister was able to duck it completely because he had the combines legislation to hide behind.

There is nothing in the present bill that will make the situation any better. Without that combines legislation, the minister would have been forced to give a decent answer—at least an answer that he would look at the situation and take some action. If he did not respond effectively within two or three days, there would have been another question until we did receive some kind of answer. At the moment it is shunted off. I am sure he will not get away with it, because the hon. member for Nickel Belt will not let him; but he will certainly make every attempt to pretend that some action will be taken under the Restrictive Trade Practices Act. I am not saying that the minister is doing it deliberately or that he wants to be less than a good minister; I am simply saying that this arrangement enables him, or perhaps forces him, to deal with questions of this type in the way he did.

Years ago we were talking about having a minister of consumer and corporate affairs. It did not look as though we were going to get one, because the government was dreadfully opposed to the idea. But when we finally got one, we said, "We will finally have a minister who will be responsible to the consumer and who will react to problems brought to his or her attention." Instead, all the minister does is shunt these matters on to the restrictive trade practices branch for investigation, which turns out to be no investigation at all.

In many ways, what the businessman does not want is a real inquiry into areas where he has an effective monopoly. Most businessmen do not have an effective monopoly, but there are some who do, and the way they prevent the heat being applied to them is by permitting some small competitors to stay alive so they can turn around and say they have competitors. They may have 95 per cent of the business in that field, but because they have one or two small competitors who live by the good will and acquiescence of the giant, they are not subject to investigation. If there were no combines legislation, and if the question of how many businesses are left was not involved, these matters might be investigated.

● (1620)

In 1966, in the food prices committee, we were looking into the price of glass jars for baby food and why baby food had risen in price. It turned out it was because glass jars cost two cents more than the other containers. Nevertheless, they were popular enough that the public was willing to pay. Only two firms, Gerber's and Heinz, were in the baby food industry at that time and both were charging exactly the same for their tinned goods. I found that difficult to understand because Gerber's, which was only in the central market, had 20 per cent of the total market while Heinz had 80 per cent. With 80 per cent of the market, why was it not possible for Heinz to reduce its price? They claimed their costs were not different from Gerber's. That just was not true. When we looked at the financial statements of both companies, it was apparent that Gerber's had been losing money for three years and was in danger of going broke.

Heinz had been using glass jars in the United States for years. When we asked why they were not using them in Canada, they said they did not know what the effect of glass jars would be. When we asked if they did not know about their American operations, they replied that they did not talk to them. But they did know that the consumers wanted glass jars and they knew that Gerber's were going broke. They did not want Gerber's to go broke, so they stayed out of the field for three years until Gerber's could break even. Then they went over to glass jars. That is the kind of competition we have in our society, Mr. Speaker. What we have is price leadership. Who competes with General Motors other than the imports?

An hon. Member: Ford.

Mr. Saltsman: Just consider the pricing policies. I remember one occasion when General Motors proposed a price increase and every car manufacturer followed with an equivalent increase. A few days later General Motors said it was a mistake and the increase was $30 too much. Everybody came down by $30. General Motors could drive Ford and Dodge out of business if they wanted to, but they probably would not do it because then somebody would look at their operation. It is more advantageous for a large corporation to keep its competitors alive and to have a little less volume, with more profit. Competition just does not exist in these large markets. General Motors does not have to sit down with Chrysler or the other corporations and suggest making a deal. They just step out and the others follow, because they know if they do not they are in serious trouble. It is "live and let live" in big business. It is not the competitor who is the enemy, but the customer—and combines legislation enables this kind of farce to continue.

In the steel industry, too, one company issues a price list and the other companies follow. There is no proof of collusion because their principals might just have spoken to each other at the golf club. They would not be stupid enough to sit down with their accountants and keep

minutes. Perhaps they do not even talk to each other, but they have ways of signalling.

A society that has modern technology requires large corporations. I am not saying that you could break up General Motors and benefit from it; perhaps the technology of our times requires large firms. Large firms cannot afford to cut each other's throats. They will not fight each other on price; their fight will be on advertising, model changes or gimmicks. The small businessman has no choice but to fight in a kind of suicidal way, but the large corporations have to stick together because the public is their enemy, not their competitors.

I shall make some proposals later about what we could do if we did not have combines legislation, and how we could be protected. Another point about combines legislation, Mr. Speaker, is that it is as American as apple pie. It is not a Canadian idea. It may be pointed out that our combines legislation was introduced a year before the Sherman act in the United States, which is its equivalent. It was introduced with the Sherman act in mind, however. Combines legislation makes a lot of sense in a totally capitalistic society which does not have any ethic of public involvement or public regulation. In that case, you can inject this kind of approach to justify continuance of the sort of tooth and claw attitude that rampant capitalism has as its ethic. If that is why the Sherman act was brought in in the United States, in order to take some rough edges off as somebody on television said about somebody else why do we have to embark on it in an economy where it does not make any sense? The United States is ten or eleven times the size of Canada. This means that in order to attain the same level of efficiency, they can afford ten or 11 times the competition, given the same level of technology.

We should be asking our industries to co-operate, not to collude against the public; to co-operate for purposes of improving efficiency, wages and exports, without having them supervised and regulated by the public. That is the direction in which we should be going. Because we do not want to regulate, we do not want to supervise, and we do not even want to see what they are doing, we bring in something like this combines legislation in the faint hope that it will keep them honest, instead of having public involvement. The only thing that will do any good is public involvement and scrutiny of their activities.

The problem of foreign ownership arises from a number of sources, but one of the chief problems has been the presence of combines legislation which has encouraged the proliferation of branch plants in this country and prevented the normal rationalization of those plants into a Canadian package. I want to talk about famous villains on the Canadian scene. There are two men who have drawn their fair share of attention, and not because they are interested in the public welfare. Perhaps we should not expect big business tycoons to be concerned about that because, after all, that is the responsibility of parliament.

● (1630)

For their own reasons, they put together two industries in Canada which have remained Canadian. They pay high wages, charge low prices to the consumer, and are models in every way. I am sure that these industries were assembled in direct contravention of the combines legislation. Who are these two fellows? One is Lord Beaverbrook, the other E. P. Taylor. E. P. Taylor amalgamated some isolated beer companies into one of the finest beer producing companies in the world. So efficient is Canadian beer production that the Americans have threatened to pass legislation. This is because they are afraid Canadians will take over their beer industry. I think the government has treated that industry too generously with regard to taxation; but it has remained Canadian, and that is important.

The other industry is steel manufacturing. Ours is one of the most efficient steel industries of the world. Why, Mr. Speaker? I suggest the reason is this: a large number of steelmakers were brought together, probably in direct contravention of combines legislation, because they were threatened by Bethlehem steel and other American steel which was coming to Canada. Lord Beaverbrook, over the heads of Canadian bankers, put together the Steel Company of Canada and established in this country an industry which excels. We can outproduce the Americans in many ways and make steel as fine as theirs, often at lower prices. That industry enjoys little tariff protection. Its workers enjoy parity with similar workers in the United States. Both the industries I have mentioned have remained Canadian; both have been strong enough to withstand foreign ownership.

I do not say Lord Beaverbrook and E. P. Taylor, neither of whom I know, put together these industries from the kindness of their hearts. They are business buccaneers and I am sure their activities should have been regulated. The point is that what they did worked for the benefit of Canada.

An hon. Member: And for their own benefit.

Mr. Saltsman: Quite so. Over-all, their work brought advantage to Canada. I have been invited to meetings of chemical producers. Whenever they hold a convention or want to lobby here once a year, they invite people to address them. The chemical industry is well represented in my riding and I am interested in what goes on. I have talked to people in that industry. The conversation goes something like this. I say, "You guys are pretty inefficient. You have far too many plants trying to serve the market. You have almost as many branches in Canada as in the United States, and you are so inefficient that you need to be protected by tariffs; you go to the government for help." I think the Canadian market is big enough to support the production of many chemicals. That is why I say to these people, "Wouldn't it be better if you all got together?" After all, Mr. Speaker, the idea is not new. It has been tried in Germany. The British are amalgamating their industries. In some cases they come under private ownership, in some cases under public. Personally, I prefer public ownership.

The Swedes have not introduced combines legislation. They have rationalization boards which sit down with Swedish industries and try to make them more competitive in their own and world markets. Canada and the United States are probably the last countries in the world to support combines legislation. If the Americans want to be foolish, should we follow? Too often we have followed that pattern. I suggest it is time to break it.

Let me return to my conversations with chemical producers. When I say, "Why don't you people get together," they say, "We can't, because of the combines legislation." The truth is that if they want to get together, they will find a way to do it, combines legislation or not. The point is, they do not want to get together. They argue that if they do, they will be prosecuted in the United States under the Sherman act which has extraterritorial application. As these companies operate internationally, they will not do something in Canada which they are not prepared to do anywhere else in the world. They are integrated. If they co-operate with the government, they do it for their own reasons—not because such co-operation is beneficial for Canada. Such co-operation may disrupt their international actions. This situation is now changing. But for years combines legislation was used as an excuse for maintaining in this country one of the most inefficient industrial structures of the world.

We are worried about the high level of foreign ownership. Do people not realize that foreign ownership has a direct relationship to combines legislation? What can be done in the absence of combines legislation. First, we can adopt the recommendations of the MacQuarrie commission report. On page 16 of the bill, in proposed section 31.2, there is reference to tariffs, a matter covered by that commission. This proposal has been outstanding for almost 30 years. I am referring to the recommendation that those convicted of collusion or conspiring against the public interest should have their tariff protection removed. Mr. Speaker, this protection, so far as I know, has not been removed in a single instance—neither in the case of the glass industry nor the paper industry. These industries have continued in their own merry way. What is the biggest fine which has been handed down under our combines legislation?

An hon. Member: Twenty-five dollars.

Mr. Saltsman: It is a little more than that.

An hon. Member: I think it's about $50,000.

Mr. Saltsman: If it is $50,000, the fine represents a licence. In no instance has tariff protection been removed. Industry does not worry about a fine, because that can be recovered by increases in price. The government has the weapon but has not used it.

Neither has the government tried another approach. My remarks maybe pertinent to Petrocan; I do not know. Let me refer to what the Swedes have done under their co-ops. Swedish co-ops operate upon a different basis from Canadian co-ops. They go into the market with the specific purpose of driving down prices. If a manufacturer is taking too much from the market, instead of legislating the Swedes permit a co-op to compete with the manufacturer and drive down prices. That is what we should do. A lesson like that would not be lost on those who are raising prices unfairly. If prices are reduced under a system like that, the consumer cannot be asked to make up the difference. But the government is not prepared to do this; instead, it has brought in combines legislation which is meaningless. It is not interested in providing competition through the public sector. This is the area the government should enter.

● (1640)

There is the question of public ownership. If someone abuses this country in terms of ripping off the people, I see no reason why somebody should not step in and say, "Look, buddies; you are behaving very badly"—you always say "buddies" because you want to be nice about it—"and we think we will take you under public ownership. Here is your money; go home." Even if there were an indication the government would do something like that, it would be enough.

I would not want to see the government rush into public ownership at every point of contention. That is not what I am suggesting. However, if the manufacturers in this country, particularly those that are foreign-owned, had any indication that the government of Canada was prepared to take them over if they misbehaved, they would not misbehave. However, as long as there are pussycats there, the companies will go along doing what they are doing.

I want to deal with some of the provisions of this bill. Over the years my party has supported combines legislation because we have felt it is at least something. Perhaps we will do so again. Today I am voicing my own reservations. There comes a time when you have to stop being satisfied with these little tinkerings and do-nothings. Perhaps the time has come for us to call the legislation what it is. There is a clause in the bill on misleading advertising. The government is going to try to define misleading advertising. There will be penalties. A clause which provides it will be applied only to misleading advertising carries the same contradiction as talking about a virgin whore.

Some hon. Members: Explain.

Mr. Saltsman: What is wrong with advertising? It is not that it is misleading. It is that in many cases it is wasteful and immoral. People do not have to be huckstered into everything. They do not have to be pushed into consumption, consumption, consumption and have such huckstering subsidized by the tax system. The reason there is so much advertising is that 50 per cent of it is paid by the government, so why not spend all kinds of money on it? What is accomplished by having a clause on misleading advertising? It is not that the stuff in the spray can will not take the odour away from your armpit. I am sure it will. What is lewd is that they picture a world full of people judging each other by the smell of their armpits. The idea is how you smell.

An hon. Member: That is racist.

Mr. Saltsman: I would love to raise a discussion about what one sees on television. You see a picture of a charming girl, with marvellous teeth and a lovely personality. You see a boy look at her and then turn away in disgust: she has not used her underarm deodorant. A thousand years from now people will wonder what kind of a civilization we had, and whether this type of advertising represented our system of values. I do not think this misleading advertising clause will lead to very much. The advertising will become a little more sophisticated. It will be necessary to use real glass instead of artificial glass. A man will have to use his own razor blade instead of someone elses.

It will not accomplish anything. Misleading advertising is not the problem in our society.

There is also a clause on double-ticketing. The chief consequence of legislation saying you cannot double-ticket will be that the product is taken into the back room. Double-ticketing can now be done right on the shelf. In future the storekeeper will be put to extra trouble; it will be necessary to take the product into the back room. It will be done a little more neatly, similar to the way in which cattle brands are changed with branding-irons out west. The storekeeper may have to charge three or four cents more because the "3" will not turn into a "5". He must change it to an "8" to make it look better. That is not why food is so high in cost. When this happens, it is an abuse but it does not solve any basic problem in the way we distribute food. It does not solve the problem of overbuilding supermarkets and adding charges on to charges with the kind of merchandising methods we use. That is what we should really be looking at. I quote clause 38(1), found on page 38:

> No person who is engaged in the business of producing or supplying a product or who has the exclusive rights and privileges conferred by a patent, trade mark, copyright or registered industrial design shall, directly or indirectly,
>
> (a) by agreement, threat, promise or any like means, attempt to influence upward, or to discourage the reduction of, the price—

How can you prove that? We have tried before to include something about price maintenance. We have never succeeded. There is no way in which you can succeed. There is no need for that clause, because in many cases it is now being done. Someone discounts a job lot of a brand name product. By cutting the price, he creates all kinds of commotion. The same situation prevails. I presume this is supposed to be for the benefit of small businessmen. We do not have to worry about them. They have so much competition now that they do not know what to do with it. In fact, it is only the small businessman who has to compete; the large corporations do not have to do so.

I sometimes wonder why people stay in small business, considering the hours they have to put in and the knowledge they require in order to run a business. No one is going to tell them you have freed up the market for them. Unfortunately, the market is much too free for them. We can see the consequences of that situation. If you want to see good working conditions and good wages, look at big industry, not small business. Small business cannot afford such luxuries because of the situation in which they find themselves.

This bill attempts to do something about suggested retail prices. It does not say you cannot put on a suggested retail price. If someone wants to sell below that, he can. If he does that now, he can probably get away with it. No piece of legislation will really protect him. Let us take the example of someone who wants to sell below the suggested retail price. The law says the supplier must continue supplying him. Anyone with any practical experience knows what will happen. The supplier will suddenly decide he cannot produce enough to satisfy everyone. Either this person will receive a very low priority, his shipment will end up halfway across the country when he needs it for Christmas, or he will receive blue shirts when he orders grey. There are a dozen different ways to get the message across quickly that if you cut the price, you will be in trouble.

If you want effective competition, you must do it in some other way. If a manufacturer has built up his brand and is able to impose the kind of coercion that he does, it is because we have enabled him, through the tax system, to build up a brand name which has a monopoly. It is the monopoly, not the suggested retail price, that creates the problem. The man who has access to the monopoly is usually prepared to do what he is told. Indeed, that is probably what he wants to do; he is happy to see the manufacturer put on a standard price because it also protects him from his competitors.

● (1650)

These are some of the reservations which occur to me. I understand that the co-ops are looking forward to the legislation because proposed section 31.2 has something to do with refusal to deal. I do not believe this section will really force a manufacturer to sell to everyone, because there is a little word in here which could make a great deal of difference. It says a supplier has to sell if a buyer is willing to meet the usual trade terms of the supplier in respect of payment, units of purchase and "otherwise". What is covered by those words "and otherwise"? There are so many loopholes. And this one in particular is like a barn door. Suppose a supplier sells to only one store in a town. Is it suggested that he should be forced by legislation to sell to two, or more? I should be surprised if that were the case, since the effect of the section would then be to tell the manufacturers how to run their businesses.

Is it intended that the act should force manufacturers to sell to a particular store whether they want to or not? Are the Liberals ready to curtail economic freedom to that extent? I do not see how these provisions will work. Suppose a manufacturer says his policy is to sell only to "classy" stores and is withholding supplies simply because a prospective purchaser is running a "hole in the wall"? Will the manufacturer be forced to sell to such a store whether he wants to or not? There is also the suggestion that if one supplier refuses to deliver, a purchaser can go to someone else who will be obliged to deliver. I do not know who wrote this legislation. Perhaps the draftsmen are very good in the academic field or in the public service, but I do not believe they have had much experience in business. I doubt whether the legislation will be of much practical value either to the consumer or to small business.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I listened with a great deal of interest to the hon. member for Waterloo-Cambridge (Mr. Saltsman). I am not sure whether he speaks entirely for the group he represents. He put forward some interesting propositions today, though I found it hard to follow him in one or two places. He talked about baby food and said Gerber's was kept in business for three years by its competitors because the competitors wanted only 80 per cent of the market; they did not want responsibility for 100 per cent.

Mr. Saltsman: The object was to make three times as much profit.

Mr. Francis: I could not quite follow the argument. Did he feel it would have been better for Gerber's to have been driven out of the market, and have only one manufacturer in Canada? The hon. member is nodding, but I do not think that is a line of argument which would be supported by all members of his party. It is certainly not one I am prepared to acknowledge.

Mr. Speaker, there is one particular matter which I should like to bring to the attention of the House. First let me say I believe, contrary to what the hon. member for Waterloo-Cambridge has said, that the principle of this bill is a good one.

An hon. Member: Surprise, surprise.

Mr. Francis: I am glad the minister has put it forward. More and more Canadian consumers are becoming aware that they need to be protected by legislation against unethical business practices, and it is our duty to listen to the complaints which are coming forward and to act to protect consumers, by legislation if necessary.

I should like to draw attention to the clause which relates to misleading advertising. Clause 36 recommends certain changes thought necessary to protect consumers. I should like to point out that there is an area involving deceitful practices which is not covered by this clause. By way of example, I refer to an advertisement which was used last year to promote the sale of a children's toy. The advertisement in question was aired on CFCF-TV in Montreal in November and December of 1973, having been cleared for use by the Canadian Advertising Advisory Board, a self-regulatory body of the advertising industry and Canadian broadcasting.

The advertisement embodied a technique which was intended to influence consumers, in this case children, to purchase a product without their being aware they were being influenced. The exhortive phrase "Get it" had been inserted four times in a 60-second commercial, in varied lengths of up to one-quarter of a second. The message was too short to be perceived by the rational, conscious mind.

This technique is, I understand, similar to that reputed to be used for brainwashing. I suggest this type of technique is not acceptable to hon. members who sit in this chamber, and it should be banned by parliament. It is generally called subliminal, because the appeal to purchase is made to the potential consumer below his threshold of awareness. I intend to propose an amendment to Bill C-2, proposed section 36(1), when it is studied by the standing committee, should I have the opportunity. Subclause (1) of proposed section 36 presently reads:

No person shall, for the purpose of promoting, directly or indirectly, the supply or use of a product or for the purpose of promoting, directly or indirectly, any business interest, by any means whatever—

I propose inserting paragraph (e), which would read:

—make a representation in an advertisement which contains any technical device which, by using images of very brief duration or by any other similar means, exploits the possibility of conveying a message to, or otherwise influencing the minds of consumers without their being aware, or fully aware, of what has been done.

An hon. Member: Will the minister support it?

Mr. Francis: I believe so. I believe this amendment will receive general support. I have discovered that this technique is reported to be used widely in the production of television and other advertising. I hope the committee will entertain the suggestion to call professional and technical witnesses who can give evidence to this effect. The advertisement to which I have referred was "discovered"—I put that word in quotation marks—by the Canadian Advertising Advisory Board and this discovery was made public on August 21, 1974, through a press release issued by the Canadian Association of Broadcasters.

No mention was made in the news release of the fact that the advertisement had actually been used. I found that it had been used, and also that it was banned only after the relevant contract had expired and the advertisement was no longer being televised. It was judged as containing subliminal content by the Canadian Association of Broadcasters, the Canadian Radio—Television Commission, the Canadian Advertising Advisory Council in Canada, by the National Association of Broadcasters, the Federal Trade Commission and the Federal Communications Commission in the United States.

The Acting Speaker (Mr. Penner): Order, please. I regret having to interrupt the hon. member in the midst of his speech, but it is five o'clock and further proceedings must now go forward.

I wonder whether the Chair might take a moment to refer to a matter which has arisen in the debate this afternoon. The Chair has noticed the practice of some speakers at this stage of the bill to refer to certain clauses within the measure. I do not wish to press the point at this time, but for the guidance of hon. members and their future reference I would refer to Beauchesne's Fourth Edition, citation 381, which reads as follows:

● (1700)

The second reading of a bill is that stage when it is proper to enter into a discussion and propose a motion relative to the principle of the measure.

I would draw attention particularly to this part of the citation:

On the motion for the second reading, it is out of order to discuss the clauses of the bill.

I thank hon. members for their indulgence in allowing the Chair to draw this matter to their attention.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): It being five o'clock, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Brandon-Souris (Mr. Dinsdale)—Air Transport—Request for service between eastern Saskatchewan and western Manitoba—Application of Transair for jet service; the hon. member for Winnipeg North Centre (Mr. Knowles)—

Social Security—Measures to protect pensioners in private plans—Discussions with chartered banks; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Transport—Report on plane crash near Frobisher Bay—Reason for delay.

PRIVATE MEMBERS' MOTIONS

[*Translation*]

RAILWAYS

SUGGESTED ROYAL COMMISSION STUDY TO IMPROVE SAFETY OF PASSENGERS AND EMPLOYEES

Mr. Eudore Allard (Rimouski) moved:

That, in the opinion of this House, the government should study the advisability of establishing a Royal Commission on the notable shortcomings of Canadian railways and in particular CNR to increase the protection of the public in general and that of the employees in particular and to eliminate accidents and derailments of freight or passenger trains.

He said: Mr. Speaker, on several occasions during the last year and the previous one I asked under Standing Order 43 of the House of Commons that an investigation be made on the operations of Canadian railways and in particular of the CNR.

I would ask hon. members, and particularly those who have seen the big cars go by before, to lend an attentive ear in the few minutes available to me so that I may explain to them the reason for my request.

Mr. Speaker, as I said earlier, I noted the numerous railway accidents, mainly derailments, across Canada. As a member for a riding which was more particularly affected and on several occasions by those numerous derailments, it is my duty to ask the House that a royal commission inquire into the management of railway companies, especially the CNR, in order to find the means to cope with the disadvantages of the shocking deterioration of this indispensable service of national interest.

Madam Speaker, we must know the cause of those disadvantages so that we may use that information and every governmental facility to remedy the situation. Moreover, we must try and find new ideas in order to meet not only the requirements but also the wishes of the Canadian people.

I should now like to make a few general remarks with regard to railway safety which is most unsatisfactory in some regions.

In the constituency of Rimouski which I have the pleasure and honour to represent, thousands of people have witnessed numerous derailments in the last few years. Here are a few examples.

Last year, a freight car went off the tracks in the Mont-Joli station and wrecked part of the station.

Some 75 miles from Mont-Joli, in the Matapédia valley, 24 cars carrying oil and various freight also went off the tracks in Routhierville.

The same year, between Mont-Joli and Rimouski, another derailment took place, involving this time passen-

ger cars. Several cars, including the locomotive, ran off the line between Mont-Joli and Luceville. Fortunately, no one was fatally injured, but those cars lying in the fields were nevertheless a sorry sight.

Madam Speaker, I take this opportunity to inform the House that the traffic in Mont-Joli station is quite heavy owing to the operation about two miles away of a Price Brothers sawmill. All its lumber is shipped by railway, especially the Canadian National, as this is the only line in operation in the whole area.

The accidents which I referred to are quite important. They are very costly when we consider the number of CNR trains and derailments in Canada during 1972. The number of derailments and track breakage has tripled since 1959 and almost doubled since 1969.

It is obvious that one of the main reasons for those accidents and likely the worst, that is the railways do not maintain their trackage properly.

Madam Speaker, the government must make sure that the railways take their responsibilities and carry out their duties. In view of the fact that Canadians have given to them millions of dollars in subsidies, they should be made aware of the way the money made available to the railways is spent.

That is the reason why the CNR must be the subject of a thorough investigation and action must be taken so that the needs and aspirations of all Canadians can be met more adequately.

For a long time, Canadians, businessmen, officials and employees were proud of their railways. Today I note Madam Speaker that, instead of having a very futurist railway system, the CNR has a very deteriorated system and could not ensure the maintenance of neither their trackage nor their rolling stock.

Madam Speaker, I remember accidents used to be a rare occurrence, since maintenance was very good and the ballast rested on cinder. We now have the best ballast, that is crushed stone. But there is no sufficient inspection of broken rails or defective sleepers, and that is the reason for a good number of accidents.

As I said, four employees used to handle the inspection and maintenance of seven miles of trackage. Inspections were then made daily, and often after the passing of various passenger or freight trains. But now, it was deemed adequate to lengthen such sections to 20 miles approximately, while making sure to reduce track inspection and maintenance personnel.

There certainly exists mismanagement within CNR, considering that in order to replace say a window pane at the Rimouski station, one sends for an employee in Campbellton, approximately 150 miles away, in order to do the work.

This entails too much undue expense and blatant waste. So do indeed Canadian National executives. I was informed these people use automobiles belonging to Canadian National Railways, and also credit cards with unlimited credit. Such automobiles they use all year long, for the minimal cost to themselves of $50. Few members in this House are allowed such a bargain. As far as I am concerned, I would indeed sell my car in order to use one

supplied by the government, if I had only $50 a year to pay to use it.

It is then easy to understand why Canadian National Railways' debt is around $1.8 billion, with notes bearing interest at 5 per cent. Nonetheless, Canadian National Railways, with assets of $4 billion, has an annual deficit around 25 millions.

Rather than engaging in subsidiary ventures as the building of towers, the developing of shopping centers and property such as luxury hotels, we should first and foremost secure assurance that railway facilities and services are satisfactory and that there are enough cars and locomotives in service.

A thorough inquiry by a royal commission would perhaps enable us to find out what are the failings of the present administration and to correct them.

Madam Speaker, it is important to be able to distinguish accidental and localized faults from fundamental, structural and characteristic defects which would necessitate a complete upheaval and reorganization.

This is a very important matter that requires our full attention and all our energy, if we want to keep in touch with present and future needs and, by the same token, to restore the international reputation and prestige our railways enjoyed in the past.

If the Transport Commission deemed it necessary to recommend to the Canadian National Railways they reduce the speed of their trains to 40 miles an hour, limit the loads and inspect the rails better, all year long, it was so there would be as few accidents as possible on those tracks. Those recommendations are in agreement with the purpose of my motion which is to find solutions to those many derailments.

The Transport Commission must bring pressure to bear, supervise and control, in order to see that the railways have an efficient and adequate rolling stock, take good care of their platforms and also take all necessary steps to provide a proper service for the people of Canada. Otherwise, the railways will keep on disregarding public safety. Transportation is an essential field in which we must develop better policies in the best interests of the national economy.

I feel that in some cases, this government has failed to use the powers granted to it under the act to bring in the necessary remedial measures. Under the actual system, I firmly believe that the CNR is not sufficiently responsible to Parliament. Therefore, I suggest, Madam Speaker, that steps should be taken in this regard.

● (1710)

[*English*]

Mr. Don Mazankowski (Vegreville): Madam Speaker, at the outset may I say I support the spirit and thrust of the motion presented by the hon. member for Rimouski (Mr. Allard) to the extent that it recognizes the necessity to bring about a greater degree of safety and protection for passengers and employees in connection with Canada's railway system. I am not sure, however, I agree with the hon. member's proposal to establish a royal commission or inquiry.

[Mr. Allard.]

It seems to me there have been sufficient studies in this particular area and that another study would merely prolong the issue. There are been innumerable studies. One in particular is the report by the Railway Transport Committee on the Canadian Transport Commission. This adequately spells out the shortcomings of the railways in terms of maintaining adequate safety standards.

I believe it is firmly established in our minds, and in the minds of the members of the public, that Canada's railway system enjoys something less than a commendable safety record. This is obvious from the increasing frequency of accidents. In the Third Report of the Transport Committee released in December, 1973, it is indicated that the Canadian National and Canadian Pacific Railways in 1972 had three times as many accidents as in 1959, and nearly double the number in 1969. The explanation by the railways is that they have been moving much more tonnage and that their freight capacity has increased tremendously.

We do not find the airlines using a similar argument. Their safety record has been very high, notwithstanding the fact that they have increased the movement of passengers and cargo by air transport. I do not think we should accept that particular argument of the railway companies. The annual report of the CTC also indicates that an innumerable number of accidents have occurred.

For example, at page 9, the 1973 report of the CTC states:

> District officers investigated 296 derailments and 58 collisions between trains. Four persons were killed and 252 injured in such accidents.

It goes on to give the breakdown. I do not believe further studies are required. I do not think that there is need for a royal commission. What is needed is government leadership and action in this area. The general inquiry launched in 1970 dealt quite extensively with trackage roadbed, with the maintenance of trackage, and with signal systems and slide detector fences. Approximately 6,000 pages of evidence were compiled.

That report is available to members and to the public. It was prepared for the Railway Transport Committee and, in my opinion, constitutes a damning indictment of the safety record of the railways. Perhaps I might quote again from that report, at page one of appendix 3 where it states:

> The number of derailments caused by track conditions on Canadian National and Canadian Pacific in 1972 is three times that in 1959 and nearly double that in 1969. Because of this continuing increase in derailments to date, it must be concluded that in the foreseeable future the number of derailments on account of track conditions will continue to increase with a continuing increase in the number of injuries and deaths as a result, unless immediate action is taken.

This is a pretty clear indication that the safety record is less than satisfactory. It is also evidence that something must be done immediately.

Furthermore, the report sets forth some positive recommendations and steps which could be followed during the interim period until such time as necessary, longer term, corrective measures are carried out. For example, we know from the report that current stress on trackage is beyond tolerable limits. In this regard we see a specific recommendation put forward by the Railway Transport Committee.

● (1720)

I quote again from appendix 3, page 1, as follows:

> Until such time as improvements are completed to strengthen the total track structure, it is obvious that the only way in which an immediate reduction in these derailments can be accomplished is to eliminate the overstressing of the existing track structure; that is, reduction of axle loadings. Therefore, since it is the duty of the Canadian Transport Commission to ensure that derailments on account of track conditions causing injuries and deaths be prevented, it will be necessary to require the railways under its jurisdiction to reduce the maximum net weight of carloads to 70 or 80 tons per car and to require the railways to reduce the height of high loads which now result in excessive lateral stresses, and to require the railways to reduce the speed of trains wherever the existing speeds are contributing to excessive stresses beyond the limit for which the present track structure was designed and is being maintained, unless improved programs and standards of track maintenance are immediately undertaken to eliminate the causes of such derailments.

So here again the steps that must be taken to correct and improve safety standards are clearly outlined in this report. We know that in terms of inspections, our lines have not been inspected on a frequent and regular basis. In this regard we might refer to page 5 of appendix 3 of the Third Report of the Railway Transport Committee, which states:

> More frequent inspection of track would very often result in the observance of conditions of this type developing which might cause derailments. If more staff, material and equipment were available, more prompt action could be taken to correct these conditions as they are developing and before they could result in derailments. In other words, more frequent inspections by qualified staff and more and better maintenance of track conditions would undoubtedly reduce the number of derailments in this category which so frequently result in personal injury and deaths.
>
> More frequent inspection would also result in observation of the development of other conditions, such as defective switches, conditions leading up to washouts and sunkinks, which would permit prompt corrective action to be taken and thus avoid the possibility of derailments as a result.

The report goes on to make recommendations and suggestions dealing with broken rails, which suggest the necessity of railways acquiring more sophisticated track testing equipment. We know what the problem is, and we know that the condition of the trackage has deteriorated to a standard which is far below that which can accommodate safely the loads which our present day boxcars are carrying. This has an effect on the over-all efficiency of the railways as well as on their safety performance. We know that in order to overcome this, a great deal of money will have to be spent. So what we need now is not a royal commission but government action and government leadership to compel the railways to honour the recommendations and conclusions in the report of the Railway Transport Committee.

Above all, we need a commitment from the federal government to work out some sort of agreement with the railways to provide the necessary funding for this very expensive undertaking. It seems to me that the government has been conspicuously silent on this report, notwithstanding the fact that the Minister of Transport (Mr. Marchand) has been questioned on it in the House on many occasions. The only answer we can elicit from him is that he is discussing this matter with the railways, discussions which to date have led to nothing more than simple meetings. The minister's evasive and flippant answers can only lead us to believe that very little progress will be made so long as he is minister.

The CNR has indicated that in order to improve trackage to meet current requirements and the current projections of freight and payloads, something in the order of $5 billion will have to be spent over the next six year period. Our railways should be considered as a national asset and, if that is so, it behooves the government to take responsible leadership in this area.

The obligation of the government is clearly outlined in the National Transportation Act and in the Railway Act. The government has the power to compel the railways to maintain a safe and efficient railroad system. If the railways are short of funds, and since they are a vital asset, meaningful discussions should take place in an active way now to bring about a realistic program to upgrade our trackage and our roadbeds to meet our current requirements.

Furthermore, in addition to the infusion of funds and the requirement for a responsible and responsive government leadership, we need full public disclosure of all reports in connection with railroad accidents. In my opinion, the efficiency and safety of the railways is certainly a matter of public interest and public concern. That being the case, it follows that the public has the right to know what is going on in this important and vital area.

So, while I share the thrust and spirit of the motion put forward by the hon. member for Rimouski, I must say that I do not believe that we need a royal commission. I believe that we have sufficient facts and details before us to act upon them, and indeed to correct the substandard levels of operation and maintenance of railroading in Canada. It is not necessary at present to give the government something further behind which to hide. It has a clear responsibility and I urge it to act now. For this government talk is cheap at election time, but I tell its members that actions speak louder than words.

Mr. Les Benjamin (Regina-Lake Centre): Madam Speaker, I will only intervene in this debate for a few minutes, because almost everything that can be said on the motion has been said by the hon. member for Rimouski (Mr. Allard), and the hon. member for Vegreville (Mr. Mazankowski), and I agree with almost everything they have said on the matter.

I was hoping that the hon. member for Vegreville would go slightly farther than he has been prone to do in the past toward a solution of this problem, among many others, in our transportation industry. The hon. member was correct when he said that the CTC has reported fully in the area of safety, regarding track maintenance, rolling stock and other kinds of equipment and facilities, but the government has not acted to any great extent. The CTC required implementation of some of its recommendations, but action to date has been totally insufficient.

May I say here that while there is a great deal to be critical about with regard to railways operations, the railways are still one of the safest ways to move people or goods, but at the rate railway accidents have increased, they will not keep up this good reputation. Since there is so little excuse for the increase in accident rates, it is

incumbent on the government to require the railways to do better.

I wonder why the hon. member for Rimouski picked on the CNR. If he looked deeply enough he would find the CPR to be just as bad. Neither of them has anything to be proud of in the area about which the hon. member is complaining. In the whole area of track maintenance the railroads have done an abysmally bad job since the early 1960's. One has only to observe the ground from an aeroplane or a helicopter to see literally thousands of miles of trackage which still uses 65 and 85 pound rails made in 1910 or 1911, ties that are replaced at a rate of one third less than had been the practice previously, tracks grown over with weeds, and rails replaced with pieces of other rails once they are broken.

● (1730)

It is not unusual for maintenance and way crews to look after 40 miles of track, and I suggest much of that inspection is done by railway trucks running up and down the highway, parallel to the track.

When I worked for the railway the condition of the tracks was a matter of pride with the section foreman. He went over his track at least once a day, certainly prior to and after a train moving over it. He knew it like the back of his hand. I am not suggesting that crews today should look after five or six miles of track, but I am sure even with 15 or 16 miles to a crew it could be maintained and inspected.

Every year we get complaints from railway employees about lay-offs on rip tracks where small repairs to cars are done, or about lay-offs in railway repair shops. I believe that both railway companies are trying to get by on the cheap, and have reduced their priorities in regard to equipment, repair and maintenance. There has been evidence of understaffing for many years in maintenance and inspection of tracks and equipment.

Because of the railways' involvement in other enterprises there has been no increase in the budget for updating and maintenance of equipment and track. The hon. member for Rimouski (Mr. Allard) mentioned the luxury hotels, the office buildings, apartment blocks and needles in which hundreds of millions of dollars have been invested while the railroads have deteriorated. The government has all the evidence it needs to deal with this problem. It has the authority, and if it needs any further authority it would be surprised at how quickly legislation would go through.

The government should look at transportation systems in the European countries on both sides of the iron curtain, and in Australia and Japan. All modes of transportation are treated as a public utility, owned, operated and regulated by a sort of public utilities board in these countries. Because of this they are operated as public utilities and they have to be maintained and kept up to date in the way that our municipalities control sewer and water systems, streets and sidewalks. Of course that may vary with the city. Some streets in the city of Ottawa look as if they are in the hands of private enterprise.

Publicly owned transportation systems get the priority they deserve. In our country, with its geography, climate and its widely scattered population, we should get rid of

[Mr. Benjamin.]

nineteenth century concepts in transportation. Our transportation needs today would be best fulfilled by a publicly owned and operated system. A system that is in the hands of the public would be more responsive to the public and to the needs of the economy, would provide adequate rail and other transportation, and certainly would be adequately maintained and updated.

It should not be necessary year after year for us to be concerned with something so obvious as the necessity of maintaining and updating plant and equipment. It is even being suggested now that the government should take over the road beds. I am sure the CPR would be happy about that, because they have deteriorated to the point that it would cost hundreds of millions of dollars to bring them up to standard. It would just be another way of bailing out the CPR. The government should tell the railroads to give a higher priority to capital expenditures on equipment, trackage, staff and inspection so that accidents and derailments can be reduced in number.

Mr. Cliff McIsaac (Parliamentary Secretary to the Minister of Transport): Madam Speaker, the hon. member for Rimouski (Mr. Allard) who moved the motion has raised a matter that is of concern to all members of this House. I know it is of concern to western members because of the miles of track that go through that part of the country.

I was impressed with the argument put forward by the hon. member. In my part of Saskatchewan there have been several fairly major derailments in the last two or three years. I agree in principle with the point made by the hon. member for Vegreville (Mr. Mazankowski). The way to improve the safety performance of the railroads is not to appoint a royal commission, as the hon. member for Rimouski suggests, although there have been some tremendous ones in the past. The MacPherson Royal Commission looked into the question of railroads, and the Glassco Commission into government operations. They took a long time to prepare their reports. Royal commission recommendations are seldom implemented, because governments tend to put those reports on the shelves to gather dust, perhaps not intentionally.

● (1740)

I suggest that few royal commission recommendations are ever included in legislation or regulations. If they are included, usually this happens some years after a report is brought down. For that reason, I do not think that appointing a royal commission would expedite what the hon. member suggests in his motion, which reads:

> That, in the opinion of this House, the government should study the advisability of establishing a Royal Commission on the notable shortcomings of Canadian railways and in particular CNR to increase the protection of the public in general and that of the employees in particular and to eliminate accidents and derailments of freight or passenger trains.

May I put on record figures relating to accidents over the past few years. The hon. member for Vegreville said that there has been a threefold increase in accidents and derailments but did not say what was his comparison base. According to figures provided to me, train derailments in 1970 totalled 276, in 1971, 265, in 1972, 323 and in 1973, 299. The increase has been slight, but not dramatic. Accidents

involving car collisions and derailments totalled 53 in 1970, 66 in 1971, 76 in 1972 and 72 in 1973. The total number of accidents involving railroads as reported to the CBTC for 1970, 1971, 1972 and 1973 were 4,622, 4,721, 4,818 and 4,688 respectively. I know that such statistics do not mean much, but the mere fact they exist indicates we have a job to do with regard to safety.

I must point out that as our railways have been carrying more and more goods, the number of derailments has not increased to an alarming extent. As the hon. member for Regina-Lake Centre (Mr. Benjamin) said, if you look at what is happening in other modes of transport available for the movement of material you see that the record of the railways is very good. I suggest, therefore, that the route of the royal commission, which many governments have followed in the past, is not the route which the government ought to follow in this regard. It takes a long time before we see any benefit. I suggest it would be better to implement the recommendations which came out of the 1970 study.

We must make certain there is a good working relationship between the railway safety committee, which includes representations of unions, and the CTC and MOT officials. That route should be followed in order to ensure railway safety.

The government has chosen to go through a continuing process of improvement. Possibly in some areas the improvement is not as great as it might be. Many millions of dollars must be found to renew rail beds and ensure that goods carried by the railways are carried with greater safety. To this end the government provided money for the purchase of hopper cars used in the movement of grain. Unfortunately these cars cannot be loaded fully on all lines. That shows that we must upgrade the quality of our road beds so that we may use to the fullest extent these cars carrying grain and other commodities.

More money is to be available for CN capital acquisitions and for the upgrading of lines. Also, we need a railway monitoring system to identify specific problems as they arise, and to recommend solutions. The railways are meeting with shippers. Several studies are under way; they were initiated because of the Western Economic Opportunities Conference. The reports will be made available to the WEOC committee, some by the end of this year, and one early next year. They will deal with the condition of road beds across the west, primarily.

We are continuing our consultations with other provinces, as well as with the western provinces, on matters of this kind. As hon. members know, we are revising old policies and developing new policies in this area, as mentioned in the Speech from the Throne. Without doubt, the job ahead of us is very big. It is one we must do if we are to make progress and go forward.

The government intends to influence and improve general railroad operations. I think the allegation made by the hon. member for Rimouski that the CNR does not perform as well as other railways is not borne out by evidence. I suggest that the CNR performs as well or as poorly—whichever way you want it—as any other railway. I could not help noting that the hon. member for Regina-Lake Centre included the CPR in his criticism. There is no reason why that company should not be included in this discussion.

Improvements have been and are being made in the CN system as a result of maintenance and other work carried out this year by CN. This will include the installation of 1,260 kilometres of new rail, which was more than was laid last year and the year before. In order to improve safety and capacity, CN is installing new signalling and communication facilities. Radio communications are being steadily improved. CN has been active in the search for and development of new techniques for several years, is seeking solutions for its own operating problems, and is involved in joint programs with the Department of Transport and CPR.

I assure the hon. member who moved the motion that the CNR reacts well to general government policies and is continuing to search for solutions to improve the safety of its operations.

In accordance with the duties imposed on the CTC by the Railway Act and the National Transportation Act, the commission is obliged to ensure that all railway operations in Canada are carried out in maximum safety. In order to isolate and identify factors involved in railway accidents and explore the effect on safety of the operation of longer and heavier trains, the commission undertook an inquiry into railway safety in 1970. Perhaps other hon. members are more familiar with it than I am. Some hon. members may have been involved in that inquiry. Public and general hearings were held, with the intention of designing measures which would promote and improve safety in this industry. I believe the hon. member for Vegreville said that about 6,000 pages of testimony were recorded at that time.

The initial report of the railway safety inquiry came out in April, 1972. This recorded the proceedings and hearings to do with causes and circumstances connected with specific accidents, and indicated that a dangerous commodities task force, an advisory committee on railway safety, and a new CTC accident investigation team would be established.

The third report came out in December, 1973, and contained the committee's findings and recommendations affecting specific areas such as signal systems, staff training, slide detector fences and other matters. This report indicated that the earlier formed railway safety advisory committee which consisted, as hon. members know, of representatives from CNR, CPR, commission experts and others, would work immediately on the conclusions and findings of the general inquiry, and provide a forum for discussions on matters affecting railway safety. The work of the advisory committee is on a continuing basis. As I say, if it is not doing the job I am the first to agree that pressure should be continually applied to ensure that indeed it does the job.

● (1750)

Between 20 and 25 per cent of all railway accidents occur at level crossings. I am sure that all hon. members can think back to not long ago when someone was killed at a level crossing. There again we are continually helping in the construction of signals and other protective devices for the safety and convenience of the public at level crossings.

However, as long as there are human beings we will encounter a certain number of accidents.

I do not know how low you can cut these accidents, but I can assure hon.members that the government and MOT will continue to strive to reduce the level, and to improve the safety and standards of our railroads. It will take a good deal of money to renew, rebuild and expand the rail network to accommodate the larger, heavier type of equipment that will be required in the next 10 or 15 years, but it must be done with an eye to the safety of people, both those operating the railroads and the general public. As I said, human error will always be with us.

I support the intent and principle of the motion, except that I believe we now have the necessary procedures. We have only to ensure they are working. I do not feel a royal commission would in any way help to resolve the problems outlined so well by the hon. member for Rimouski.

Mr. Jack Pearsall (Coast Chilcotin): Madam Speaker, as this is my first occasion to speak in this House, may I personally extend my congratulations to you on your appointment.

Some hon. Members: Hear, hear!

Mr. Pearsall: I, too, wish to applaud the comments of the hon. member for Rimouski (Mr. Allard). However, I cannot in honesty support his desire or claim for a royal commission.

The hon. member's motion suggests that a royal commission could eliminate accidents, including derailments of freight and passenger trains. Despite its value I do not think any royal commission could stop a train, at a given position at a given time, if some crazy fool driver, such as a number we have in this country today, crosses a right of way.

I grew up in the west. At the age of three I travelled with my father from Vancouver to Calgary and back. I can recall the old steamers going through the various canyons of the Rockies. In those days our safety features left much to be desired. In that period we had some terrible times. Perhaps senior members of the House will recall some of the accidents that occurred, particularly in the Fraser Canyon.

In the past few years we have seen some remarkable changes take place in the Fraser Canyon. Many of the hazards that existed on both railroads have been practically eliminated. I agree they cannot all be eliminated in one or two years. I am sure hon. members who have spoken will agree with that.

We have a railway safety advisory committee which has been operative for a number of years. Hon. members know the people who are on this committee. But I do not know whether hon. members are aware of what this committee has been doing for the past few years. There are many places in British Columbia where the in-depth study, begun in 1970, has now become a reality, particularly in some of the more remote areas.

I do not know whether hon. members are aware that this committee has already looked into the design, installation, inspection and maintenance of railway signal systems. Many years ago this was undertaken "by guess and by

golly" in some parts of the canyons and the Rockies. When the block system came in, it meant something.

We have now reached the electronic age. Because of the unit trains that have been brought in there is a desire for a more complete system of safety measures. This is what I am getting at in my comments.

The committee has studied the training of signal staff. Here we come to the human element. All too often this is the real cause of railroad accidents. We must not overlook this human factor, as it will always be with us.

I wish to deal with one area that was overlooked for many years, the hotbox and dragging equipment detectors. I do not know how many members watched trains go by at night with half a dozen hotboxes flaring like mad. No one seemed to bother. Today they have been eliminated. The railway safety committee has been doing its job.

The committee is also studying the identification and interpretation of signals by engine crews. There was a time when the crews had to work for hours and hours. The safety factor was not considered. The engineer and his fireman had to put in "X" number of hours before being relieved. I recall occasions in the early twenties when some of those men worked 23 or 24 hours without being relieved. Is it any wonder that accidents occurred?

Next I want to deal with the installation, operation and maintenance of slide detector fences. This is one of the finest jobs being done by our railroads. This work is being carried out in parts of my constituency by the B.C. railroad, CNR and CPR. It is being done to eliminate the dangers. We had one serious accident last winter. An inquiry was made into the matter, with the outcome that the situation has since been remedied. This came out of the railway safety committee.

I can understand the concern of the hon. member for Rimouski about these problems which exist in his part of the country, as they do also in mine. However, with the railway safety committee which we have, we do not need a royal commission. That would probably foul up everything. It would take over some of the work that is already in progress. In this case it is work which has been carried on for a number of years.

The Acting Speaker (Mrs. Morin): Order, please. The hour appointed for the consideration of private members' business has now expired. It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, POWERS OF INVESTIGATORS, OFFENCES

The House resumed consideration of the motion of Mr. Ouellet that Bill C-2, to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and the Criminal Code be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Francis: Mr. Speaker, just before five o'clock Your Honour called attention to the procedure to be followed on second reading and pointed out that our rules do not allow for detailed discussion of a bill clause by clause. My own remarks related to a general amendment which I hope will be incorporated in the bill. I merely indicated the clause at which it might be inserted. I had no intention of going through the bill clause by clause, because I knew it would be out of order to do so.

Just before the break for private members' hour I was about to quote from a public notice issued this year by the Federal Communications Commission in Washington, as follows:

> Whether effective or not, such broadcasts are clearly intended to be deceptive.

This House, Mr. Speaker, acting on behalf of the citizens of Canada, does not need to be convinced that these subliminal advertising techniques are effective. We have only to be convinced that they are intended to be deceptive in order to effect an amendment to Bill C-2. The Parliament of Britain took this decision ten years ago, in 1964, and I feel it is time for Canada to do the same in the interests of consumers.

Whether this is the appropriate bill in which to make this change in our law is open to question. However, I feel the Minister of Consumer and Corporate Affairs (Mr. Ouellet), as the minister responsible for the interests of all consumers in Canada, should be responsible for enforcing this regulation rather than the Minister of Communications (Mr. Pelletier). As an alternative procedure I considered an amendment to a private member's bill sponsored by the hon. member for St. John's East (Mr. McGrath) dealing specifically with children's advertising. The bill has been before the House already, on another occasion.

Criticism of my proposal has come from the advertising and broadcasting industries, suggesting that I propose to outlaw a myth. I respectfully suggest that the contention advanced by those who call the use of subliminal techniques "a myth" has been exploded. I have evidence that this technique has been used in Canada. I also have an assurance from the Canadian Advertising Advisory Board that it has no objection to parliament banning the use of this technique. In fact, it was the board which recommended to me that the easiest way in which to do this would be through an amendment to Bill C-2, now before us. I know the House has other pressing matters before it, but I trust hon. members will take time in which to review this proposal.

Since my endeavour to ban subliminal advertising became public a few months ago I have received letters and phone calls from consumers across Canada endorsing my position. The Canadian Civil Liberties Association and the Council of Women of Ottawa and Area are two groups I should like to mention in this regard.

As of August 21, 1974, the Canadian Association of Broadcasters has banned the use of subliminal techniques in children's advertising. No similar ban on commercials directed to adults has yet been effected by CAB. I would point out that a ban on the use of such techniques in all advertising was imposed by the National Association of Broadcasters in the United States in 1958. However, in 1974 this self-regulatory code was still being abused. I quote from public notice No.08055 dated January 24, 1974, issued by the Federal Communications Commission in Washington regarding the offending advertisement I cited earlier:

> Despite the Code Authority's action, some stations apparently continued to broadcast spots containing the "Get it" statement.

Surely the House should follow the much more effective example of the United Kingdom, rather than follow an approach by self-regulation which clearly does not work.

Parliament should put the responsibility for misleading and deceptive advertising where it truly belongs, that is to say, with the manufacturers of products who become clients of advertising agencies.

I have a letter from the advertising agency which produced the children's toy advertisement I cited earlier. The agency stated:

> We seriously questioned the advisability of using the subliminal "Get it" and so informed the client. The client, however, insisted that it be put in. Under such circumstances . . . we had no choice but to put it in.

This may not be an isolated situation. However, it is the only one which has been discovered. It was not discovered by the self-regulatory body, C.A.A.B.; it was discovered by Robert Choate in Washington who brought it to the attention of the FCC there. In Canada action was taken to amend the children's code of ethics nine months after the advertisement was used.

I respectfully submit that Bill C-2 is the legislative instrument which could be used to rid Canada of this dangerous and deceptive practice. I hope all members, especially those on the other side of the House who are apparently in agreement with what I have been saying, will support Bill C-2 on second reading so that it can be referred, at an early date, to the committee where these matters can be dealt with fully.

● (2010)

Mr. Ron Huntington (Capilano): Mr. Speaker, the fact that consumers need a more adequate voice has had the support of this parliament since 1967, and it has had the support of all balanced people I have met in the business community no matter in what scale of endeavour they are involved. The bill we are considering is "to overcome the bad effects of concentration and misleading advertising in

the market place". That is a very well thought out and worded concept, and I agree with its thrust.

The purpose of the Combines Investigation Act, and again I quote "is to assist in maintaining effective competition as a prime stimulus to the achievement of maximum production, distribution and employment in a mixed system of public and private enterprise". Again this wording is concise, and I must compliment the work of the former minister of consumer and corporate affairs who served the twenty-ninth parliament. However, I seriously question the ability of this measure in its present form, unfinished, I must suggest, to achieve these desired goals.

I would seriously question the sincerity of the government in its repeated attempts to serve the consumer. Since October, 1967, this country has had four ministers and seven years' work leading up to the legislation we are debating now. I would ask the indulgence of the House to allow me to go back to *Hansard* of October 13,1967, in order to put a few things in perspective. Let me quote from what was said by the minister then in charge of the Department of the Registrar General. He said at that time, as reported at page 3068 of *Hansard*:

I believe, sir, that a significant step was taken earlier, when the Department of the Registrar General was established in 1966, at which time we brought together for the first time a number of functions relating to corporations, combines, patents, trade marks and bankruptcies, in order to ensure the better coordination of policy in these fields.

I would ask hon. members to remember the word coordination, which was part of the concept and concern of the minister at that time. I go on to quote the minister from the same page:

The consumer's association of Canada appealed to the government as early as 1960 and on numerous later occasions to create a department which would be responsible for the interests of consumers.

It is now 14 years since that initial request was made as stated that day. Let me refer again to the same speech where the minister stated:

The opinion that consumers need a more adequate voice in government has received parliamentary support.

That was said on October 13, 1967, and I believe that idea has had parliamentary support since. Let me continue to quote from the debate of that day, at page 3107 as follows:

The present Department of the Registrar General and the agencies now grouped within it will be continued under a department with a new name, the department of corporate and consumer affairs, to which will be added two further responsibilities; first, the responsibility to coordinate programs for consumer affairs at the federal level, initiate new programs, and so on; second, the responsibility for representing the federal government in the area of corporate securities.

Let me now quote an interesting sidelight to the debate of that date. This was the same minister speaking, and he was referring to the hon. member for Yukon (Mr. Neilsen) and the present hon. member for Calgary North (Mr. Woolliams). He said:

I should like to say to the hon. member for Yukon and the hon. member for Bow River in particular, in answer to some of their suggestions, that this department will not be a bureaucratic monster. On one occasion I said that if you want to use the vocabulary of the octopus of government, this is not a new tentacle; it is a rearrangement of the existing tentacles, and no more.

Again during that debate, and for the second time in the same day, he referred to the responsibility for coordination of acts under this department by stating:

[Mr. Huntington.]

I should like to say also that this department will not involve more government spending. When I spoke on my estimates I said that this year the department would have an expenditure of $8 million, less $6 million by way of revenue in respect of patent applications, bankruptcies, incorporation applications, and so on; so, the cost to the Canadian taxpayer will be between $1.5 million and $2 million. There will be not additional cost of any significance because, as I said, aside from the hiring of certain specialists in the area of consumer affairs most of the staff is available in the various agencies of the federal government.

The minister at that time was extremely concerned as evidenced by those comments, but what has happened since 1967? We must look at the growth of this embryo reorganization or this rearrangement of the tentacles. The corporate and consumer affairs of 1967-68 involved a vote of $11,338,000. The consumer affairs' portion was $4 million. In the recent estimates for 1974-75 that $11 million has grown to more than $43,755,000, and the consumers' part involves over $17.5 million. I would ask you to remember the original estimate of the cost in 1967, namely $1.5 million to $2 million. I suggest the tentacle rearrangement has grown into an octopus.

The anti-business feeling in this country grows in almost direct proportion to the increase in government spending. If this rate of growth keeps up the bankruptcy branch of this department is going to be very busy.

This legislation has been debated for over seven years, and is now being presented to us in an unfinished state. We are now being asked by the minister to let a committee finish it. Why we are being asked to do that? As a backbencher my resources and time do not allow me to participate fully in this committee, yet my constituents and the people of that area of this country from which I come demand that I show an interest in this type of legislation.

The minister has a budget of $43,755,000. Has the government become tired and does it now admit it cannot do the job? Can it not give us a tidy presentation, properly researched, in order that we can vote on it in principle on second reading? Why are the amendments being kept in the wings? Why have they not been tabled for the consideration of members in caucus? I would ask why is there all this mystery?

We have seen rule by regulation, then rule by ministerial discretion, and now we are seeing rule by commission. This has all taken place since 1967, and I suggest it has left the business sector of Canada with a confused decision making base. I do not think that the problems we see today in Italy, Britain, Japan and in the United States will be easily solved, but one of our first steps must be an attack against this confusion of decision making based here in Canada.

The hon. member for Red Deer (Mr. Towers) referred to our balance of payments. Let me remind the minister that 55 per cent of commercial activity in this country involves small business, and small businesses do not have the resources to handle the confusion and legislative load that are resulting from the change in the tax act.

● (2020)

Surely clean, tidy legislation under the control of parliament is the least the minister should offer the country and parliament at this time. Regulatory fever is rampant in this government. Business is starting to operate defensively. I mentioned the trouble other trading nations with

which we deal are facing. Trivia and regulations are snuffing out the light and fire of Canadian business. The standard of living of the Canadian people is very dependent on a vital, aggressive business community.

The previous speaker mentioned the scale of business, and the fact that if people in the Canadian work force wish to have a decent standard of living they would have to work for large companies. That may be so, but a large portion of the community is the small business segment. It is this segment which suffers as a result of such self-imposed legislation.

It is a sad fact of life that people who abuse their freedom in the performance of business functions, through overzealous acts of self-interest, are the cause of this type of legislation. If these people had compassion for those who work with them, under them, and around them, there would not be a need for this type of legislation.

I have not noted in respect of the Department of Consumer and Corporate Affairs any expenditure of talent or effort directed toward the business community, the present managers and new managers, so that they would have an awareness of the importance of their function and the importance of serving the people, the employees, the customers, the suppliers, the community and the country. Nowhere in Bill C-2, or in the work of the department, do I find any indication of effort in this direction. If there had been a move in this direction in 1968 I doubt very much if there would be need for such a bill being debated in this House today. Where is the corporate part of the Department of Consumer and Corporate Affairs in this area of educational need? I ask the minister to give this consideration because here is an area that is waiting to be serviced.

I should now like to turn to the aspect of the bill in respect of misleading statements and advertising. The minister in this bill, and in statements to the media, offers strict rules of conduct for private enterprise. He has threatened these sinister people with jail and fines. I agree. People who abuse these freedoms and privileges and the licence they are given, as well as the responsibility they have in the performance of their duties in the best interest of society, deserve to be punished.

But why does the minister apply these rules of his just society—if I may use that term—to only one minority group? What process of logic causes the minister to exclude other aspects of our community from his sanctions? What about political parties and politicians who use misleading statements or misleading advertising, or who are guilty of not having kept promises? Frankly, I would mention stuffed ballot boxes at both ends of the country. Why are there not fines and jail sentences for this group which lacks credibility in statements to the public?

In several speeches in this debate the government has been brought to task for misleading statements and promises, as well as misleading advertising. We had the example of the advertising in respect of the limited coin edition. We also had the example of the Canada Savings Bond being advertised as a safe vehicle. Surely this is misleading advertising.

The 1972-1973 report of the Department of Consumer and Corporate Affairs on page 11 exaggerates by 100,000 the caseload involved. Is this misleading or is it an honest mistake? Then we have the purchasing power of annuities and pensions, with continuing two digit inflation. Is this honest? I do not know of an easier way to steal.

Why are union monopolies, which have such a tremendous impact on competition and consumer prices, exempt under this legislation? Why are the "sweetheart" deals that we hear about not subject to the same sanctions in the minister's just society? Is the Inspector General of Banks to be kept on a continuing diet of budgetary want like the Auditor General, or are the banks to be denied their share in this just society the minister speaks about? Why does the minister pick on one small minority group? Does this bill interrelate properly with provincial legislation, or will it merely create a new set of problems.

We know what happened in respect of the marketing boards of this country. Does this bill co-ordinate and interrelate properly with other legislation which will be presented to us in this parliament by the same minister? Are we to be allowed any insight into this? What size of corporation does the minister suggest will be subject to regulation by the commission?

The Restrictive Trade Practices Commission is given extremely wide powers over the distribution process in Canada. It will have power to regulate business under civil law, with criminal powers to back it up. It can make its own rules of proceedings. Here we have more arbitrary government, and more rule by regulation. Surely such a commission should be responsible to parliament through the minister, or will we in the future have to put up with another minister who does not have the power to answer because the commission or board is outside his jurisdiction? Where are the members of the commission to come from, Mr. Speaker? Will they be political appointees, or will they be men of experience and knowledge, with ability to regulate wisely without influence or favour. Am I being too idealistic in expecting that? How many members will be on the commission? I ask the minister to think again about some of the questions which I raise as a result of my reading and homework in respect of Bill C-2. It will eliminate some of the immoral conduct of the marketplace, and this is good. I sanction that aspect of the bill. It should be widened to include political activities, government activities and union activities.

Mr. Benjamin: Heil Hitler.

Mr. Huntingdon: Bill C-2, in the form in which it is presented, will not stop inflation; it will not stop rising prices; it will not increase competition; it will not hurt or impede the big guy; it will not improve the decision making base of Canada. I cannot see how the purpose will be achieved. I cannot see how the bill in its present form will provide a prime stimulus to the achievement of maximum production, distribution and employment in either the private or the public sector of the country. As it is presented to me, it would appear to be misleading advertising.

● (2030)

In closing may I say that if it is the wish of the House that this bill go to committee, instead of back to the drafting table where it belongs, where there are available the resources and the staff that the minister has at his

disposal, then we have a lot of work ahead of us. Will we be given the time and the resources in committee to do the right job for our constituents, our country and this thirtieth parliament? The workload imposed on the members of this parliament in the less than 30 days that we have been sitting is almost unbelievable to me, a man off the street; it is almost insulting to intelligent people. In my opinion the President of the Privy Council (Mr. Sharp) should be moved over to the ministry in charge of railroads.

I will close with these remarks: legislation based on a broad, consistent philosophy should not arrive in pieces; it should be co-ordinated, as the minister in charge of the formation of this department said on October 13th, 1967.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise to take part in the debate on this bill which has been called the competition bill, but which in effect does not deal with the problems of competition which are outside its scope. Nevertheless, I think this is a good opportunity to take part in a debate on the effects of competition on our economy and national life.

I agree with the aim of the bill, but it seems to me that there is serious doubt as to whether it will accomplish what it sets out to do. Also, I believe that perhaps its basic tenets should be questioned. We should ascertain at what level competition should exist, and in what manner.

We have entered into an era of consumer concern and consumer interest because of the modern philosophy that anyone who performs a service or manufactures an article is essentially considered to perform a poor service, or to do poor workmanship, unless the government is there to oversee it. The consumer, on the other hand, according to the current mode of thinking, must always have perfect service and perfect articles. We recognize that there are people in our society who think that the service that they receive is always poor, and the articles they purchase always defective. We recognize that such people are present in our society, and to provide a system of competition tailored to their needs would be almost impossible.

This attitude has been made worse by our present method of job creation. Many people are not producers either in the manufacturing or in the service areas, and often they have little concept of what is involved in providing a service or manufacturing an article. Similarly, as a result of automation the narrow scope of many jobs gives little opportunity to an individual to understand the complexity of many services, and the complexity of the manufacture of many products.

I believe that the attitude that service should be always perfect and manufactured articles flawless has been aggravated by the great difficulty of getting top rate people to fill executive positions. A classic example can be found in our hospitals where it is increasingly difficult to find well trained people to accept the top positions. There are many people in the lower categories of employment in hospitals who could take on more complicated executive posts, and yet they are content to work at lower levels because their take home pay is almost the same and they do not have to shoulder the heavier responsibilities.

I make these observations because I think they have a fundamental bearing on competition within our economy.

The rise of consumerism is very real, and much greater attention is being paid to it than in the past. At the same time consumers have been demanding a higher and higher level of service and quality of goods. Also at the same time many factors in our economy work against the provision of a high level of service. Some people would suggest that this is due to the profit motive, but I suggest that many other factors are working against providing the high level of service required in our society.

What about the aim of the bill before us, and what are some of the things it may do? So far as industrial strategy is concerned, this legislation grew out of the interim report on competition policy issued by the Economic Council of Canada in 1969. That was five years ago. No studies have been undertaken by the government, or by any other agency, on what the consequences have been since that time of a strict regulation of domestic competition on Canada's competitive position in the world markets. Since I came here six years ago it has always been the view of the government that we should have a Canadian industrial strategy, but it has never been clear what this should be, Mr. Speaker. Invariably it was considered to mean a reduction in the export of raw materials and an increase in the export of manufactured goods.

It has been known for a long time that in our foreign trade we have had a deficit in manufactured goods, and there are no signs of improvement. In 1972 we had a deficit of $1,505 million in fabricated and end products. In 1973 the deficit was $2,207 million, and in 1974 it could well go to $4 billion. If it were not for the strong position of our raw materials surplus we would be very badly off insofar as foreign trade is concerned.

This bill could have a profound effect on the industrial economy of the country. For instance, one of the great earners of foreign exchange for Canada has been prairie grain. In the six years that I have been here the government has made the productivity of that part of the country more difficult to achieve. Indeed, after the settlement of the west coast grain strike which has contributed to inflation, and the settlement of the maritime strike on the great lakes, farmers have been discouraged from producing more grain. This is partly due to the government's past actions in not ensuring the smooth flow of grain and in allowing a stoppage in grain handling by a small group of people.

This bill does not do anything about Crown corporations, or about the three levels of government that are often responsible for preventing competition. It is those three levels of government that have often been the culprits in preventing competition and, as a result, preventing services from being provided. I will outline how the government of Canada and its offshoot, the Canadian Broadcasting Corporation, and the Manitoba government and its offshoot, the Manitoba telephone system, have prevented my riding from receiving a second television channel, and this in the name of good government, although in reality it was interference in the broadcasting business.

● (2040)

For the number of years most of the riding that I represent has had only one TV channel from Yorkton,

Saskatchewan, which was classified as a CBC Affiliate. Numerous efforts were made to try to get a second network, CTV, into the area. After long and extensive hearings, finally the CRTC approved the application of Moffatt Communications Ltd., to provide service for a second channel.

In the meantime CBC had bought the antenna situated on Baldy Mountain in the Duck Mountain Provincial Park. That was sold to it by the private station in Yorkton, the Skinner interest. The Baldy Mountain tower is the only spot that will cover the area with a proper TV signal. Moffatt Communications applied for permission to situate their tower on this Baldy Mountain spot, but were refused permission by the Manitoba government.

In negotiations the Canadian Broadcasting Company has demanded $15,000 to strengthen the present tower for the CTV antenna, plus $10,000 a year for rental. Privately, this could be made available through another broadcasting company for $10,000, and rental of $5,000 per year, just half of what the CBC is charging, but they are prevented from using this by the actions of the Manitoba government.

Now the federal government enters into it. Another park comes between the tower and the Brandon station. It is Riding Mountain National Park which is run very poorly. It would have been necessary to instal a microwave tower but this was vetoed by the federal government on the grounds that it would detract from the wilderness aspect of the park.

As well, the Manitoba government and Communications Canada have almost made it a policy that there will be no private microwave communications set up, at least in the province of Manitoba. The alternate way to carry the signal is through the Manitoba Telephone System but, here again, the prices quoted for carrying the signal have been high, and considered by the private company to be exorbitant. That is why Moffatt Communications have wanted to have their own private microwave system. Whether or not the Manitoba Telephone System, which is very much the arm of the Manitoba government, has made a fair quotation, I do not know. But the fact is that the Manitoba Telephone System is in a monopoly position, and there in not even an independent board to examine whether or not its quotation is reasonable.

I cannot see that this bill will be useful in preventing this kind of extortion. The federal government, the provincial government, the CBC which is a Crown corporation, and the Manitoba Telephone System are combining to prevent a second television channel. Will this bill prevent such a thing? The answer seems to be absolutely not. In this case it is not the huge private corporations that are preventing competition; it is our own two governments, our own public corporations.

I should now like to turn to the Restrictive Trade Practices Commission, which is an integral part of this bill. The aim of this commission will be to judge whether or not certain business practices are within the realm of fair competition or are restrictive. The government contends that it will be in the interests of small business. The commission itself is seemingly going to interpret the situations that come before it on a legal basis rather than a commercial basis.

Now, Mr. Speaker, what may seem like a legal discriminatory practice in the commercial world becomes not so clear in the legal world. Many small businesses are able to carry on because they have exclusive agencies in their area. But, if a supplier must sell to all people merchandising in that area, such as small chain stores, the small businessman is soon put at a disadvantage. Much merchandise in our society is not sold on a strictly price basis. Most small retail establishments are viable, not because they sell cheaper than large chain stores but because of the personality of their owner, or their manager, or their clerks, and because they have certain exclusive lines.

To do away completely with exclusive selling rights, at least in retailing, would probably do much more harm than good. I can give you an example that actually happened in my area. An individual retailing a certain brand of paint found that his competitor, a fairly large retail store, was able to retail the paint at less than his actual wholesale cost. He had no alternative but to cease carrying on his business.

There are many examples of where a small business would be put at a very decided disadvantage if this clause were completely carried out. There is no doubt that, on a strictly price basis, large chain stores have enormous advantages inherent in their structure over the small private business.

Then again I notice that when there are violations of various government regulations by business, it is invariably the small businessman who gets penalized. He has not the expertise or the legal help available that large corporations have. Furthermore, a conviction against him is much more damaging to him as his clientele know him, than it is to a countrywide retailing organization.

Government commissions that are expected to show some results for their efforts, have a tendency to clobber the easiest available victim. After all, most of these commissions have to show some evidence of earning their keep, and the small individual is the easiest to intimidate.

Again, many of the government's tests for a basis of measurement, are open to serious question. One I have heard of is that meat inspectors take only one gram of meat to test for fatty content. Mr. Speaker, this is far too small a sampling to arrive at any real assessment of the fat and lean content of the meat.

I think everyone is in favour of increasing competition, but the methods whereby we assess and lay down the guidelines are extremely important not just to competition but to the whole pattern of industrial life in this country. Under this bill the Restrictive Trade Practices Commission seems to be adopting a decidedly legal viewpoint. But the legal view of what industry and commerce should be doing as regards competition is vastly different from the practical aspects of business. The effect of this commission can be nationwide, and can shape the commercial activity of the country for decades to come.

Contrary to the stated aim the commission will be biased against the small individual businessman as opposed to the large corporations, and since the whole thrust of government is overwhelmingly against small business it makes one wonder if, for all its good intentions, the net effect will be a further curtailment and harass-

ment of small business life. I hope that in committee we will get a few more of the answers, Mr. Speaker. I think it is unfortunate that the bill, which had extensive hearings in committee last time, was not reintroduced with the amendments that the minister has stated will be brought forward.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I had not intended to speak on this bill, but since the hon. members from the opposition are so persistent, I deemed it proper to intervene and invite them to put an end to this discussion so that this bill may be referred to the committee. We are still at the second reading stage of a legislation dealing with combines investigation for the benefit of the consumers.

The main amendments, as stated by the minister, will especially deal with definitions, investigators' powers and infractions. This bill, the content of which is similar to that of bill C-227 tabled in the House on November 5, 1973, and to that of bill C-7 which was tabled on February 28, 1974 and died on the order paper because of the general election has had no luck at all, Mr. Speaker.

I think the opposition has kept very well in mind the recommendations of the Minister of Consumer and Corporate Affairs in June 1971, while he insisted upon the fact this bill aimed, and I quote:

to promote discussion rather than enforcement—

For once the Minister was listened to. However, after having heard many opposition speakers, I am afraid that such discussion may drag on probably because of a lack of precision from the Minister regarding the proposed amendments.

I understand that the minister wants to put more bite into the Restrictive Trade Practices Commission which has certainly failed to do the job expected from it, but at the same time extremes must be avoided.

The first purpose of this bill is to specify certain prohibitions dealing with trade practices which are detrimental to the Canadian consumers, prohibitions creating offences, and to bring in desirable amendments to existing prohibitions.

● (2050)

On reading this bill clause by clause, we find that it deals with everything to give more scope to the definitions and to give the investigators more work to do; there will be more of them, and thus more summonses and steeper fines.

I sometimes wonder whether that will protect the small businessmen, including farmers, while offering the consumer one last hope. I doubt it, Mr. Speaker, for it is proved by experience that the big multi-national companies like the huge cartels, in production as well as in marketing, will always find a way to pay the accountants, economists and lawyers needed to evade the law or to avail themselves of some protection of which the people will be unaware.

In his statement, the minister listed the topics dealt with in the bill such as, for instance, advertising. He wants to be stricter and suggests that the committee should also be more severe with regard to advertising. Mr. Speaker, I agree with him on that point, and wonder why the bill was not introduced before the election: it would certainly have created a furore during the campaign.

As for "misleading advertising", I do not have to give many examples. A little while ago, we talked about bad advertising for children. I think that the Crown Corporation and private networks, like all news media, should come under the provisions of this legislation and cease misleading the Canadian people. I am confident that the members of the committee will be patient enough to listen and to implement the advice of those who will appear before them.

Then, the hon. Minister, speaking about "dual pricing", said and I quote:

Then any sale at a price other than the lower of two or several prices is prohibited in the case of double ticketed product.

In my opinion, if we dug deeper, we could get to the famous legislation on fraudulent bankruptcies. I have noticed it several times, because I have been in business for forty years and I know that the company or the fellow who goes bankrupt fraudulently comes out much richer than before.

After having establish two companies, a purchase company and a "resale" company, thus being able to sell at a price lower than the billing, causing prejudice to all other dealers and even threatening to make some honest dealers go bankrupt, the bankrupt will not be prepared, after a couple of weeks, to start a new business. That is sheer honesty. A section of the fraudulent bankruptcies legislation deals with that situation.

As far as "pyramid selling" is concerned, we agree that legislation should be more rigid. You can be assured of our support on this.

A little further, the bill deals with the "refusal to sell". On that matter, we must be very careful. I shall give a few examples, particularly that of a farmer who, almost every fall, will sell 2,000 to 3,000 bags of potatoes to a big supplier at $2 a bag and the remainder will be sold out to the retailer at $2.50 a bag.

If this bill were implemented, the farmer would be in serious trouble, because he sells to small dealers at $2.50 a bag potatoes which he sold for $2 to the big supplier. The committee will certainly have representations to make on this matter.

I think "gift selling" could be added to "tied selling". That is the big scheme today. Big companies try to sell second-quality goods by offering a gift of little value. The customer is mainly attracted by the gift, and she will buy the merchandise to get it. In my opinion, this clause of the bill will provide some protection to the consumer.

In our regions, and I assume that the same goes for all others, there is a "market restriction", that is territorial limitation in order to avoid competition from outside. I think that if this bill is accepted, it will outwit many companies that want to control each and every territory and maintain prices in all sectors.

As for proceedings for damages and losses resulting from conduct contrary to the legislation I wonder—I keep asking myself the same question—whether it is fair for

the small businessman, distributor or producer who will be affected by this clause. I should like the clause to be broad enough to cover the big tradesmen.

Mr. Speaker, we are in favour of submitting the private enterprise to a healthy competition, since it was honest competition that normalized consumer prices in the past. To achieve this, we need laws. I say once again here tonight that lack of competition is as detrimental in production as it is in marketing.

Today we live in an era of large mergers, national and international cartels, absolute controls over marketing and, we must admit, over production.

Producers, I would say thousands of them, paid with the life of their business for the elimination of this competition under the false pretext of profitability.

If the government is really serious, it will have to come to grips with the most dictatorial of all since it is the cause of stagnation. Because of that, the legislation we pretend to improve today achieve nothing. I am referring to the monopoly of banks. I think that is the first that eliminated any competition among banks. It will be the first to re-establish order so that we finally control the discounts of the Bank of Canada and the freeze, if necessary.

Only with those basic controls shall he begin to work in the interest of consumers so that they no longer pay two, three or even five times the price of goods and services necessary for their survival.

I hope that the bill will be sent to the Standing Committee to give the public a chance to be heard, especially by the government.

The government was accused of not having detailed its amendments enough. Members of the committee should seize the opportunity to introduce amendments and invite regional bodies to appear before the committee.

I hope that this time, Bill C-2 will not "die" in committee but will be reported back to the House for third reading.

● (2100)

[*English*]

Mr. James Gillies (Don Valley): Mr. Speaker, I wish to take this opportunity to congratulate the minister on his new portfolio. I wish him well in what is going to be a very difficult and, I am sure, exciting area of work.

I am sure all members of parliament, certainly those on this side, agree that the elements of this bill which have to do with consumer legislation need to be passed, and passed rapidly. I do not think anyone opposes legislation to restrict pyramid selling, subliminal advertising, misleading advertising and so forth. Such actions should have been prohibited long ago. The sooner they are dealt with, the better off we will be.

The fundamental thrust of this bill, especially certain parts of the legislation, are of great significance. In fact, I feel this legislation is as important to the ongoing economic development of the country as the budget which will be presented quite soon.

Not surprisingly we have had legislation to deal with competition for a long time. In fact we have had anti-combines legislation for almost 100 years, the first being introduced by the Conservative party, and so it is not unusual that we would support this type of bill. But we want it to be a bill responsive to the fundamental needs of the notion.

In the British tradition as a nation we have taken the position that the way in which the consumer is best protected is by the operation of truly competitive markets. Anyone who has followed the development of classical economic policy knows very well that it is difficult to dispute the fact that when you have competitive markets you have the optimum allocation of resources, and the greatest production possible in the economy. Indeed, for many years it also was argued that a competitive economy automatically assured levels of full employment.

In addition, and again in the British tradition, it was believed that with many small firms operating there was the maximum amount of political freedom. It is not a matter of accident that the great British libertarians such as Acton and John Stuart Mill believed in competitive markets.

Many of the arguments advanced for competition bills and competition legislation have not been economic. And it is not a coincidence that countries such as Germany and others on the European continent, which have never been interested in maintaining competitive markets, have had great difficulty in developing democratic processes such as we have in this country.

Underlying this legislation is therefore not only the whole question of effective markets but also the question of the concentration of power and, indeed, associated with that, the question of true economic freedom.

There was no challenge to the proposition that there was need for strong competition legislation until the 1930's when Lord Keynes introduced his general theory, which demonstrated that there was no automated guarantee that competitive markets alone assured full employment. As a consequence of the depression, emphasis on the goals of full employment and price stability have become so great that interest in competition legislation has dropped to a very considerable extent.

In fact since 1946 we have neglected competition policy to a very dangerous degree. Indeed, the adoption of a Keynesian philosophy, that we could get full employment and price stability by broad macro-economic policies led many to believe that competition policy really did not matter. Since 1946 we in this country have had no effective anti-competition policy at all.

Perhaps it was only by chance that the rise in interest in monetary and fiscal policy as the tools for attaining full employment and price stability came along at exactly the same time as great changes in technology, a large increase in transport facilities, great increases in communication systems, the possibility of serving larger markets, economies of scale, the development of multi-national firms, the development of agro-business and the change from the isolated local union to the great national unions, but the results of these changes also led to a decline in interest in competition policy.

In fact over the last 30 years the power and size of certain sectors of our economy have become so large it is really a fundamental question of whether traditional anti-

combines policy makes any sense. I am sure everyone knows that some economists, particularly Professor Galbraith of Harvard, have taken the position that anti-combines policy is ineffective in many areas and that it is a waste of time to try and put it into effect. It is argued by such people that certain sectors of our society are so large they are not responsive to what is happening in the economy, but make the economy operate for their benefit. If this is true—and markets are not competitive and cannot be made competitive—will traditional economic policies designed to bring about price and employment stability, work?

Why is it, one has to ask, we have not been able to achieve full employment and price stability at the same time in recent years? Why is it that broad policies do not work in the way they are expected to work? Is it because of the structure of our markets? If so, is there any chance that anti-combines policy will be able to assure a structure that will permit broad policies to work more effectively? Perhaps more important, have we reached a stage at which we may have lost many individual freedoms which are associated with the competitive market structure? Again, it has been argued strongly that large concentrations of power do not really make much difference because they countervail each other. This is the Galbraith thesis—there is no point in trying to break up large economic units because they constitute an effective brake against each other. However, in an article by Richard Goodwin recently on the dilemma of the United States economy, the point was made that these forces are apparently no longer countervailing. It does not make sense in this day and age, according to this author, to argue that large business conglomerations are countervailed by large unions and big government when, in fact, they all work together.

● (2110)

All of us hear the argument advanced that things are happening to society and to people that nobody wants to happen, even those who bring these things about, because the economy and the bureaucracy are so large and complex.

Therefore, in assessing competition legislation we have to consider these things: first, has the structure of our economy changed so much as a result of the economics of scale that the economic policies we put into effect in order to cope with inflation or bring about full employment simply will not now work? The evidence indicates that this may be the case. The question then arises: why don't they? The answer may be that these measures cannot work because there are concentrations of economic and political power. If this is so, we must seek, when looking at this legislation, to try to reverse the tendencies which are now in effect, or at least to examine the implications of these changes.

In the second place, can we in fact maintain individual freedom and liberty amid such concentrations of power? If not, how do we deal with competitive market structures? Where this legislation is terribly lacking is that it does not recognize all large power segments in our society. The question to be considered is not the simplistic question of whether or not we need more competition. That is not the serious issue. The serious issue is whether or not, after two decades of no really effective anti-trust laws, does it make any sense to talk about this sort of legislation at all, and, if not, what are the alternative ways of protecting the consumer?

We know that what we are getting in terms of economic performance is very strange. We are astonished when interest rates rise and inflation does not slow down. The reason must be that the structure of the economy is changing dramatically, and the old techniques are no longer working.

In another sense, what does this legislation mean in terms of the retention of freedom in the economy as a whole? The essence of the competitive system is to bring a high degree of individual freedom, initiative and opportunity into economic performance. If we allow the concentration of power which has gone on for so long to continue, shall we be able to retain those freedoms which are so important to us?

Associated with all this is the fact that we are moving away from the dominance of the rule of law to the rule of men. In this legislation, just as in the Foreign Investment Review Act, a tribunal is being appointed with no clear or definite indication of what the tribunal is to do. Democracy cannot survive when the rule of men replaces the rule of law.

We have taken away from parliament in the past few years the function of being the trustee of the people's money. It is impossible for members of parliament to review the estimates in any effective fashion. It may be that sheer growth has done this. However, this does not remove from us the responsibility for looking carefully at the serious issues which are before the country and I suggest to the minister that the manner in which the legislation has been considered up to this stage makes it important that we go back to the committee, call witnesses and examine the fundamental issues involved. Today we are not really in a parliament which is the same as that of the last few years.

No observer of the economic forces which have been unleashed in the world today can be sanguine about the way in which the economic situation is developing. What will really destroy the system of democracy is a continued pretence that things have not changed. There is an unreadiness to face economic realities.

The reality of the Canadian economy is that we have developed large segments in which competition is not present. We have never acknowledged this in realistic fashion; we have always found reasons to exempt certain sections from the play of market forces. The net result is that policies which once worked, and which we hope will work, will not work any more.

● (2120)

Consequently I hope the minister who is responsible for this legislation will in fact agree that, when we go back to the committee, we should take a look at the legislation again in a broader sense, and that it be studied to see whether there are sectors in the economy that are fundamentally non-competitive that must be brought in to the bill, but which are not now in the bill simply because of the way our society and economy are organized. The problems for our economic system and our democratic government are indeed very serious.

The belief is growing on the part of more and more people in this country that governments are not able to deal with the problems which most people face. There is evidence to suggest that these people may be right. We have evidence over the last five years that would indicate that perhaps we cannot obtain relatively stable prices.

People are beginning to really believe that we cannot have stable prices. We have forgotten the proposition that people have the hope of owning their own homes, valued at about two and half times their annual income. Perhaps we do not believe that is possible any longer. We have forgotten the proposition that we can solve some of these national energy problems, and people are beginning to believe that governments cannot govern.

People are constantly being reinforced in the feeling that governments refuse to look at the reality of many issues. It seems to me that the real question is whether the government will have the courage and the conviction to look at the structure of the Canadian economy and assess whether the 19th century competition approach is valid, or whether the Canadian economy has changed to the degree that our learned contemporary fiscal and monetary policies will not now work. The government must decide whether our current policies will work or whether they are counterproductive.

Until these questions are answered, the bill in its present form is not ready to become law.

Mr. J. R. Ellis (Hastings): Mr. Speaker, I am always a little hesitant when I follow the learned hon. member for Don Valley (Mr. Gillies), particularly on a subject covering an area that has been grey for quite sometime, but an area that we are now trying to bring into sharp contrast. I should, in any event, like to add my congratulations to those already expressed to the minister in his new portfolio. I wish him well.

As has been pointed out, there are a number of good points in this legislation such as those in respect of referral and pyramid selling. Sometimes I feel that those areas have been looked after under provincial legislation. I wonder sometimes if we are not duplicating already existing legislation for the purpose of putting window dressing on a bill that is very difficult to sell to the people.

My concerns this evening are not in that very wide and general concept covered by the hon. member for Don Valley. My concerns this evening are in respect of that segment of industry with which I am reasonably familiar, namely, the construction industry.

The construction industry lives and thrives on competition. All construction type projects are subject to competitive bid, so that competition is not entirely new to the construction industry. Yet in the past we have found that some contractors run afoul of the combines legislation. I suppose it is fair to ask why they run afoul of this law.

If anyone who has been involved with a construction industry asks himself why this could happen he will immediately realize that pricing is tough in this industry and, when things are difficult, you cut back, and cut back again. This is the general situation in this segment of industry. People often have difficulty meeting overheads, and on occasion some contractors get together in order to avoid bankruptcy. In this way prices gradually work back up to the point where contractors can begin to survive again. It is in this way that these people can run afoul of combines legislation.

I see new dangers inherrent in this new legislation that I have not seen previously. There is a whole range of fees now being charged by realtors, engineers, architects and, while I normally do not have much sympathy for them, even lawyers. If these people happen to charge a fee which is exactly the same as the fee charged by a competitor I see the possibility of them running afoul of this legislation. Once again these people operate in an area that is generally considered to be covered by provincial legislation. I question the need of driving a tack with a sledgehammer, as we perhaps seem to be doing in this area.

We must also consider the small businessman who runs, for example, a little electric sub-contracting company, or perhaps a plumber, a forming company, or an erecting company, people who operate in that whole gambit of bits and pieces that make up the construction industry. I wonder how any of those individuals would feel one morning to wake up facing a lawsuit? Perhaps such an action would require a decision by the supreme court. When one considers the amount of cost involved he will immediately realize that such a thing could bankrupt the small businessman.

The lawsuit I have in mind is one that might arise from something the small businessman had been doing in the past, but because of the passage of this new legislation he could be in difficulty. I had in mind the situation that could arise if a supplier wanted to give a prime contractor a lower price than the price he would normally sell his product to the industry. Experience has shown us that combines legislation tends to go against the small contractor.

The bigger contractors usually have sufficient staff to keep them out of trouble. In most cases they have sufficient finances to keep them in business during a lengthy court action. Small contractors receive many questionnaires from people like Statistics Canada. They are often forced to hire accountants or auditors to look after that type of thing. They receive all kinds of requests from an ever-increasing bureaucracy, all of which makes it more difficult to stay in business. This situation tends to get even worse when the companies become a little bigger. Let me give you one example of what I have in mind.

● (2130)

We have cement being delivered in southern Ontario for exactly the same price from three or four different companies manufacturing in different parts of Ontario. It is transported by two or three different means, over small or large areas, with seemingly no real competitive aspect. Yet because these are particularly large companies they seem to get away with it. The price per barrel, as it was formerly, although it is now changed, was identical. In addition these cement companies try to tell us they are being competitive but at the same time they will not let the customer come to their plants and pick up the product. If a purchaser should have the equipment and wish to pick up the product he is not allowed to do so. He must purchase the product on their terms, and those terms are always alike.

Then we have the matter of shopping centres. Often builders and developers are involved in these shopping centres. In respect of this legislation I see a real problem, and it seems to me that shopping centres could be completely outlawed. The essence of a shopping centre is to prohibit another class of merchandise of exactly the same nature being sold on the premises. As I understand this legislation, that would not be allowed. There would not appear to be any competitive edge to the shopping centre.

I do not really think shopping centres are the big bogey man people once thought they would become. In my town there are three shopping centres, and the downtown area is thriving. I think they have proven to be an incentive. In other places in Ontario, such as Peterborough, there are huge shopping centres which have not hurt the downtown shopping area. However, I believe this legislation would prohibit shopping centres from doing what traditionally they have done.

As I see it, one of the most critical points in respect of this legislation is that it is the small businessman who will be hit. There is protection enough for the large businessman. Recently I ran into a situation which is indicative of what I have in mind.

In my riding there is a sheetmetal fabricator who produces a product in galvanized metal, which could be sold anywhere in southern Ontario. This company is unionized and pays union rates, which are less in this area than in metropolitan areas. Because this is a fairly effective and efficient operation the products of this company could be sold in Toronto, but the unions in Toronto to date have kept this company from doing business in Toronto. I see nothing in this legislation that would be of assistance in this case.

The union in Toronto is strong enough that it has been able to dictate to the manufacturers that none of this product is to be allowed into the metropolitan Toronto area, simply because the union rates paid by that company are lower than those paid in Toronto. This is an example of discrimination which should not be allowed. I have been unable to find anything in this legislation which would help that company.

Many things are covered by this legislation. There is the matter of the service industries. There are other radical changes being proposed. This legislation has been around now for two or three parliaments, under the direction of a couple of different ministers. I do not believe it would be harmful if we proceeded reasonably slowly.

I know there is a desire to get this bill before the standing committee, and I hope that in committee the minister will be receptive to a number of amendments and changes that will be proposed by his colleagues, on both sides of this House, who have business experience. Also I hope the bill, when brought back from the committee, will be changed quite drastically from its present form.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I welcome the opportunity to participate in this debate on a bill which is complicated and which will have far-reaching effects. The minister has indicated it is his intention to bring forward amendments when the bill goes to the committee.

Mr. Alexander: Get that in writing.

[Mr. Ellis.]

Mr. Neil: That is an excellent idea. This bill means more and more government involvement in the daily affairs of the businessman, yet the minister has called for its rapid passage. It covers three major areas. First it covers the consumer aspects such as misleading advertising, undesirable trading practices and undesirable retail practices. It covers certain regulatory aspects with regard to the restrictive Trade Practices Commission. The balance of the bill, of course, has to do with amateur and professional sports, and amendments to the Bank Act.

With regard to the sections of the bill dealing with the consumer I do not believe there is any real argument by members of the House. I think all members, particularly those who have practised law, will welcome the legislation dealing specifically with referral selling, pyramid selling, switch selling, and double ticketing, to mention a few matters. I have always been one who believed in the old Latin phrase used in English law, *caveat emptor*—let the buyer beware. This has been a rule I have always followed. Perhaps I have followed it because a number of years ago, when I first started work and was earning $30 a month, a very shrewd encyclopedia salesman visited me and sold me a set of encyclopedia. Since I was earning only $30 per month it took me some considerable time to pay for the books. Therefore I soon learned that one must be aware of salesmen and slick traders.

But after practising law for some 20 years I realize that many intelligent people never had an experience similar to mine, and were therefore taken in on occasion by slick salesmen who were involved in referral selling, in my area particularly in the field of roofing and siding for houses. Having met some of these slick salesmen, I can see how people were taken in by them. I believe that people must be protected from this sort of thing.

● (2140)

Regarding the regulatory aspects of the bill, the minister has indicated that this legislation will be used to regulate the larger corporations. But it does not specify what is a large corporation or a small business. Surely the bill could be amended to set forth in detail the definition of a large corporation and a small corporation, either on the basis of assets or on the basis of the volume of business.

Small businesses are the backbone of our economy. They are our largest employers. Yet we find more and more small businesses closing their doors every day. What is the reason for that? Basically the reason is increased government regulation, increased government controls. I spoke to several small businessmen in my constituency recently, very successful businessmen who are now due for retirement, and who would like to sell their businesses to some younger persons. However, they find that there are no young people interested, despite the fact that these are exceptionally good businesses.

When you speak to young people about taking over a business, what do they say? They say: "We do not want to get involved. We have no problem with borrowing money; there are such government sources as IDB, and so on, but we do not want to be shackled by government regulations and rules". What will happen to these small businesses? The people to whom I have spoken, in two cases of which I know, have tried to sell for some three years. Now they

have reached the stage where it is their intention to gradually liquidate their stock, sell their property, and retire. This, to a relatively small community, means a loss of jobs, with the resultant loss to our economy.

Personally I have no respect for the practices of the larger corporations which, because of their size, are able to protect themselves from competition. But I do have respect for the small businessman who operates best in a competitive market.

I was interested in reading about the competition policy from the 1969 report of the Economic Council of Canada. I would like to quote from it. That report states in part:

> The institution and maintenance of a competition policy such as presently exists in Canada may be taken to reflect a belief that over a greater part of the economy, competitive market forces are potentially capable of allocating resources better and more cheaply with a less cumbersome administrative overhead than any alternative arrangement, such as wholesale public ownership and control, detailed government regulation of enterprise, or self-regulation by large industrial units within a corporate state. The function of competition policy is not to bring about a textbook regime of "perfect" competition in all the various markets making up the system, but rather to encourage the liberation of the system's maximum competitive potential, imperfect though this may be.
>
> The resulting competition is valued not for itself, but for what it can accomplish, in putting resources to work efficiently and effectively. Thus, the market does the job and the government's main responsibility, so far as efficiency in resource allocation is concerned, is to see that the market is free to do the best job of which it is capable. Competition is relied upon as the prime mechanism of social control . . . ; competition itself should not be the objective, but rather the most important single means by which efficiency is achieved.

We must not lose sight of the principles set forth in that statement. I believe that to rush through this bill on the understanding that it will be amended in committee is wrong. It seems to me that the bill should be withdrawn now and additional amendments brought in, so that the bill will fall within the principles outlined in the report of the Economic Council.

The Acting Speaker (Mr. Penner): Before I recognize the Minister of Consumer and Corporate Affairs (Mr. Ouellet) may I remind the House that the minister's speech will close the debate on this stage of the bill. Is that agreed?

Some hon. Members: Agreed.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I listened with much attention and interest to the remarks from many hon. members. I must say that their comments will surely help me to improve this bill along with the members of the parliamentary committee that will examine this bill, to improve this extremely important legislation which many Canadians have been expecting for such a long time.

I believe that in closing this debate, it is important for me to ensure the hon. members of my intention to move amendments to the legislation, amendments which are for the most part the result of briefs and requests presented by Canadian agencies when this bill was studied by the last Parliament.

● (2150)

I should like nevertheless to point out certain remarks made during the second reading debate and especially a question put by the hon. member for York Simcoe (Mr. Stevens), namely whether that legislation was really an improvement on the present one. I do not believe this House would question the real desire for progress, the unshaken wish to serve people in a better way, on the part of the government as well as of the Economic Council of Canada, the Department of Consumer and Corporate Affairs, the Combines Investigation Branch and the numerous experts who were consulted throughout the very difficult revision of our competition policy, which in fact began in 1966.

That the results are on a level with the efforts, I believe, Mr. Chairman, that it will be generally agreed, as it was besides by a good number of members on both sides of the House, who spoke during this debate. They recognized the merits as well as the urgency of such a legislation.

But can one really refuse to recognize that we are greatly improving the present legislation by extending its implementation to services?

I believe it really should be said that Canada is almost the only country with a competition policy that does not apply to services. Among OECD countries, it seems that Ireland and Canada are the only countries that do not have any competition policy for services.

Mr. Speaker, I believe that this House will agree that it is more than time that our country lose this unenviable status. The great number of Canadian consumers who have complained to my department about restrictive practices in the field of services are wondering why this extension to the Act was not passed long ago.

Mr. Speaker, I notice that my time is getting short, and I would have liked to cover several issues raised by the hon. members but I will not have time to do so tonight. I would however like to say one thing, that not so long ago the Canadian public was brutally reminded that no legislation prevented the application in Canada of judgments, legislation or directives from foreign countries which are not in the interest of the Canadian public.

I am convinced, Mr. Speaker, that this situation should be rectified urgently. This is precisely the purpose of Bill C-2, which will give the Commission the power to issue orders appropriate to each case of this type.

I believe that one of the issues raised concerns the recommendations of the Economic Council of Canada, and I would like to recall the remarks of the hon. member for York-Simcoe who stated in this House that there should be another report from the Economic Council of Canada. However, on page 2 of the third report of the Economic Council of Canada, it is said:

> At first, we had considered a fourth report which would have summarized all the work done under these terms of reference, but we now believe that such a report would be redundant.

Mr. Speaker, I believe that this quotation from the third report is a sufficient reply to those who have blamed us for using a temporary report as a basis to review our competition policy.

Finally, I think that the point raised about the unions, to the effect that the government seems to be getting blamed for excluding them from this legislation, deserves clarification. In fact, the unions are excluded except for matters pertaining to collective bargaining. Such a situation was unacceptable. That is why, basically, all union activities recognized by this act were not subject to the first Canadian act of 1889 on competition, and this exclusion still stands.

Nowadays, both at the provincial and federal levels, there is a whole series of very specialized legislation on labour. There were reforms to be brought about and it is at the labour level that action must be taken. However, Bill C-2 clarifies several aspects of collective bargaining exclusions. I would like to point out, in particular, the clause of the bill specifying that the exclusions apply to management as well as to labour.

Mr. Speaker, I will conclude by saying that all the amendments in this bill concern the interests of the Canadian consumer maybe in a different way but always with equal importance. I am convinced that these interests are as badly served by restrictive schemes, resale price fixing and refusal to sell as they are by misleading advertising or pyramid selling. That is why, Mr. Speaker, I rather presented one bill only instead of including consumer protection legislation in a separate bill. I hope therefore that this bill will be examined with the warranted thoroughness by the members of the parliamentary committee and that we may report for third reading a bill really worthy of Canadians and of the competition policy in Canada.

[*English*]

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

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. McCleave: Mr. Speaker, I wonder if the House would be good enough to revert to presenting reports from Standing and Special Committees and also revert to motions. If it is agreed, I will present the first and second reports of the Standing Committee on Regulations and Other Statutory Instruments, and if there is unanimous consent I would move acceptance of the first report tonight.

The Acting Speaker (Mr. Penner): Hon. members have heard the request of the hon. member for Halifax-East Hants (Mr. McCleave). Is there unanimous consent?

An hon. Member: No.

The Acting Speaker (Mr. Penner): There is not unanimous consent, therefore we cannot do as the hon. member requests.

[Mr. Ouellet.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIR TRANSPORT—REQUEST FOR SERVICE BETWEEN EASTERN SASKATCHEWAN AND WESTERN MANITOBA—APPLICATION OF TRANSAIR FOR JET SERVICE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, on October 17 I raised a question with respect to air service into western Manitoba and eastern Saskatchewan. I bring up the subject again tonight because of the confusion and mess in transportation policy that was referred to by the Minister of Transport (Mr. Marchand) in his celebrated statement last spring.

I will review the history of this service briefly. In the 1960s Air Canada inaugurated a service between Calgary and Saskatchewan and western Manitoba communities, on a daily basis, as part of a new regional air transport policy.

New runways were built at considerable cost in order to accommodate this service. Two years ago a brand new air terminal was opened at the Brandon airport to serve western Manitoba. It was considered an important breakthrough in air transport policy and the then Minister of Transport now the Minister of Regional Economic Expansion (Mr. Jamieson), came out to open the terminal.

Last January all air service into the western Manitoba and eastern Saskatchewan region was cancelled. That indeed indicates there is confusion if not a mess in air transport policy in this part of Canada. This development is in the face of expenditures of multimillions of dollars to build new airports to serve Montreal and Toronto.

● (2200)

Let me refer also to the STOL program costing either $125 million or $25 million depending on who is making the estimate to serve Ottawa and Montreal, the announcement that the government is to support a third-level carrier service, and also to the demonstrated fact that no program of regional economic development can make any progress unless adequate air service connects eastern Canada with western Canada.

During the election campaign the Prime Minister (Mr. Trudeau) came to Winnipeg on May 23 and made some interesting comments. That is why I am making my appeal this evening. He said:

> The general principles are that the policy of this government, as you know, is to work for all of Canada. We do this in different ways, but one of the most important ways of doing it is to make sure that every region of Canada shares in the growth of this country and that prosperity is accessible to all—

His statement continued to this effect:

> . . . we have asked Air Canada to work with each provincial government to determine what action is necessary to put in place in each province a third-level air carrier system that will provide high quality local air service, promote industry, reduce isolation and provide jobs. Air Canada will then cooperate with the existing carriers in each province to put in place this service. Air Canada will, if necessary, either directly or through a subsidiary, provide that service. In other

instances, however, it will work with the existing carriers, supporting them financially by providing management back-up, by providing technical and maintenance know-how, and of course through the vast purchasing power of Air Canada.

Let me add that there is not much evidence of this in western Canada. Finally, may I quote from another part of the Prime Minister's statement. He said:

In another area of air service, air policy, industrial development and job creation, I would like to announce the following: approval in principle has been given by the government for the provision of air services linking Winnipeg, Brandon, Dauphin, Yorkton and Saskatoon as a test of possible new third-level air policies, the ones I talked about earlier. This will be air services linking these western cities.

I am sorry the Minister of Transport is not here. When he replied to my question originally he said that the government has purchased two Saunders aircraft which are to provide this service, but did not say who will operate the service. Will TransAir, the designated regional carrier, be responsible for providing this service? It will require a subsidy, as any other air service in Canada does, if we are to judge from the experience of Air Canada. If that is so, what will be the nature of the subsidy? Will it be similar to that provided for the demonstration STOL project now operating between Ottawa and Montreal? Finally, Madam Speaker, will it be supplemented by a first-class jet connection with eastern Canada?

TransAir, the designated regional carrier, now provides jet service to Dryden, Kenora, Thunder Bay and Toronto but, for inexplicable reasons, does not continue it to Brandon, Yorkton, Dauphin, Regina or Saskatoon. TransAir has had an application for almost six months before the Transport Committee, which seems to be in a state of suspended animation. The carrier has offered to provide this service without subsidy. It would provide direct, daily service to Toronto and the eastern market both ways; that is, by flying east and west, and would do this, as I say, without subsidy. In short, it would provide the kind of service which is absolutely essential for economic development programs on the Prairies. It would also supplement third-level carrier service. This would be a collector service which would make the pure jet service offered by TransAir economically viable. I trust that whoever replies this evening will answer these specific questions.

Mr. Cliff McIsaac (Parliamentary Secretary to the Minister of Transport): Madam Speaker, I am afraid I cannot answer all the questions raised by the honourable member for Brandon-Souris (Mr. Dinsdale). I do not have the information available, but I assure him that I will check with regard to most, if not all, of the questions he raised. I am just as interested as the hon. member in the extension of air service to western Canada.

In his May 23 speech, to which the hon. member for Brandon-Souris (Mr. Dinsdale) referred, the Prime Minister (Mr. Trudeau) stated that the federal government would make available $1.5 million for the purchase of two aircraft, plus spares, for a provincial demonstration project. The aircraft, of course, are to be ST-27 turbo prop manufactured, as the hon. member well knows, by the Saunders Aircraft Company in Gimli, Manitoba.

The federal government is awaiting a formal reply from the provinces of Manitoba and Saskatchewan on whether they will embark on this demonstration project. I believe it is fair to say that negotiations are going well. Every indication is they will indeed go on with this, but as yet there has been no formal reply from them. Therefore the question as to when the demonstration services will start can be best answered by the provincial governments.

In the House the other day the Minister of Transport (Mr. Marchand) announced that he had completed arrangements to purchase the two aircraft. The machinery has been set in motion for that.

The Prime Minister also stated that the Minister of Transport and Air Canada would put together a team of officials to work with the provinces. That is being done. A great deal of work has gone into it. Federal officials have assisted in every way with this demonstration project.

I can assure the hon. member I am also looking forward to the success of this particular service which is being inaugurated. Surveys have been conducted of the terminal and the other facilities. Information has been provided to the provinces to allow them to draw up a schedule for implementation of the demonstration project. The hon. member asked who will be operating the service. I do not know the answer to that.

With regard to the second part of the hon. member's question, the application by TransAir to bring jet service to Brandon and that region is, as the hon. member said, now before the air transport committee. I did not realize it had been there that long. The decision to grant a licence to TransAir rests entirely with the transport committee and not with the Department of Transport. We, of course, cannot interfere with the CTC while it is considering an application for a licence. I am hopeful that consideration will again be given to that request.

SOCIAL SECURITY—MEASURES TO PROTECT PENSIONERS IN PRIVATE PLANS—DISCUSSIONS WITH CHARTERED BANKS

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, on Thursday, October 10, as recorded in *Hansard* at page 281, I put this question to the Minister of Finance (Mr. Turner):

Is the government giving consideration to the introduction this session of legislation regarding private pension plans, to provide greater protection for pensioners under those plans and to require such plans to comply with modern-day standards including the escalation of the pensions of those already retired?

In his answer the Minister of Finance suggested that my inquiry related to future legislation and that it had budgetary aspects which prevented him from replying fully to my question. I then posed a supplementary question in these terms:

In view of assurances the minister has given in former sessions, would he make a beginning on this subject by having further discussions with the chartered banks about their inadequate pension plans?

The minister's reply was to the effect that he had had discussions with the banks on previous occasions, but he thanked me for reminding him about the matter.

Your Honour, although I feel I should say Your Grace, my question is really a double barrelled one. In fact, there may be a third angle to it. However, it is an important issue, and I hope the Parliamentary Secretary to the Minister of Finance (Mr. Cullen) is at least in a position to

give me the assurance that the matters covered by my question are under active consideration.

● (2210)

I certainly do not want to exaggerate or to contribute to any sense of panic, but it is a fact that some pension plans have failed in recent months; it is a fact that there are a number of private pension plans which are in trouble, and the members of those plans are not sure they will get the pensions they were expecting. This is a situation which could get worse, and it seems to me that before it does it should be studied very thoroughly and the government should exercise its responsibility, bearing in mind the fact that the Department of Finance is in charge of legislation such as the Pension Benefits Standards Act. That is one aspect of the question—the need to protect the members of private pension plans, and I urge that this matter be given serious consideration.

Another aspect has to do with the question of the escalation of pensions. Thanks to efforts on the floor of this House this is now a fairly general practice in the public sector. But when private pension plans escalate pensions minus the escalation which takes place under our old age security legislation, those pensioners who are under private plans obtain no increase to enable them to keep up with the rising cost of living. Escalation is only effective if it applies to all of one's pension income. I hope the government will give consideration to legislation which will make this the rule for all pension plans.

These are the two important aspects of my question, but there was my subsidiary question about chartered banks and their pension plans. These come directly under the responsibility of the federal government in more ways than one. Some of the chartered banks are already offending their retired employees by subtracting from the escalation in their pensions the escalation which takes place under the Old Age Security Act. I could develop this point further if I had time in which to do so.

Many retired bank employees, some of whom were managers and who understandably do not not wish their names to be disclosed, are annoyed by the way the banks are treating them, and I hope the Minister of Finance will continue his conversations with the banks and talk to them in a way which will persuade them that they ought to play the game. The plain fact is that not only should all public pensions be escalated and made such that people can live on them, but this should also be true of all private pension plans, and I call on the government to see that this is done.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Madam Speaker, in response to the hon. member's question may I say I believe he will appreciate that there are a number of social, financial and jurisdictional considerations related to regulatory legislation of this kind.

It is necessary to bear in mind that the majority of the pension plans in Canada are subject to provincial jurisdiction. Up to the present four provinces have instituted pension benefits standards legislation. This legislation deals primarily with two aspects of pension plans, namely, plan solvency and benefit portability. The federal government has already enacted similar legislation which applies to pension plans in areas of employment subject to the jurisdiction of parliament.

The only way in which the federal government could try to require and enforce the escalation of pension benefits in all plans would be indirectly through the Income Tax Act, where the normal penalty for non-compliance with such a requirement would be the probable deregistration of the plan, thereby making both employer and employee contributions to the plan ineligible for deduction from the income of the taxpayer. This could result in the employees being less well protected for their old age than they are at present.

It should be noted that neither of the forms of the legislation I have mentioned requires that an employer provide a pension plan. Nor does it prevent the termination of a plan. Some employers may be finding difficulty trying to fund their pension plans without provision for pension legislation. To impose compulsory escalation might well lead some employers to terminate the plans they have at present. In these circumstances hon. members will appreciate that requests such as those made by the hon. member for Winnipeg North Centre (Mr. Knowles) must be considered with great caution.

[Mr. Knowles (Winnipeg North Centre).]

TRANSPORT—REPORT ON PLANE CRASH NEAR FROBISHER BAY—REASON FOR DELAY

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I should like to congratulate the parliamentary secretary on his elevation to an important position in the ministry. My concern tonight arises from questions asked not only by myself but by others, Your Grace—and I refer to you in that manner because you do honour us—about a most unfortunate accident at Frobisher Bay last February. I welcome this opportunity because in response to questions the minister at one point said, and I refer to *Hansard* of October 4 at page 118:

> No, Mr. Speaker, the truth cannot be changed, but sometimes it takes time to reveal the truth.

In the interest of accident investigation and transport safety generally in Canada, embracing all modes of transportation falling within the jurisdiction of the federal authority, I asked why there was not an investigation and report available from the coroner's inquest into that tragedy. Once again, I draw the attention of the minister to the urgency of separating the regulatory body from the responsibility of investigating all accidents involving any form of transportation falling within our jurisdiction.

I have a report in my hand of an aircraft accident to a Sabreliner CF-BRL on February 27, 1974, at Frobisher Bay, Northwest Territories. This report was made available to members on October 25, some eight months after the accident. I suggest that no competent investigative authority in North America or Europe would take more than three months to handle it. I cannot understand why this has taken so long.

Let me refer to one thing in this report to lend some emphasis to the point I make for the establishment of an independent commission of investigation in these matters. On the first page of the report under the paragraph head-

ing "Description of Occurrence" we find in the last paragraph:

The Frobisher main, high power non-direction beacon ... went off the air at 00:10 and was restored to service at 00:59.

All the times referred to are Greenwich mean time for the purpose of the investigation. Anyone reading this report will eventually reach page 7, and will find again in the last paragraph under the paragraph heading "Aids to Navigation" the following:

The operator coming on shift at 00:01 performed his routine station equipment check which included verifying the operation of the FY beacon. On the audio test the beacon went "in the red", a visual indication of a transmitter outage. The operator attempted to reset the transmitter—

The report indicates that the operator did those things that should be done under these circumstances.

I suggest that here we have a contradiction. This report will be read by everyone who flies the Atlantic in light aircraft or, indeed, in any type of aircraft. The purpose of these reports is to make corrections and see that mistakes do not recur to give concern to others using our system.

● (2220)

Here we have a discrepancy. There is nothing in the report to indicate how long the transmitter was inoperable prior to 00:01 hours on the date in question. It could very well have been out for a period even before that. My point is that if we are to foster and encourage confidence in our federal transport system on the part of those who use it, not only Canadians, but all users of our air space, then what we say must be accurate, must be complete and must be impartial.

I have no question about the impartiality of the investigator in this particular instance, but I suggest the publicity surrounding the coroner's inquest, and the division which will arise as a result of this report are such as to give rise to a belief that possibly a conflict of interest could take place in the investigation of transportation accidents in Canada.

I am here to bring to the attention of the parliamentary secretary as forcefully as possible my concern, and the concern of all users of our transportation services in Canada, that what we do not only must be right but that it must seem to be right. Where there is a conflict of interest we must remove it. In this case we cannot remove it until we remove some of the conflicts in respect of responsibility for investigations.

I would ask the parliamentary secretary to tell us why this report was not available to the coroner's inquest. I would also ask him when we might expect to have a bill introduced in respect of the division of the regulatory body. I have been asking for such a bill through four parliaments. If we had word from him about this I am sure the users of aids to navigation in air would have the type of confidence in our system which I know it merits.

Adjournment Debate

Mr. Cliff McIsaac (Parliamentary Secretary to the Minister of Transport): Madam Speaker, the hon. member for Halifax-Dartmouth East (Mr. Forrestall) has made, I believe, an excellent case for the division of the regulatory and investigative aspects of accidents of this kind. Perhaps I should review for him some of the pertinent dates in this regard relative to the report into the Sabreliner crash at Frobisher.

I am advised that the report was originally scheduled for completion sometime in mid-July, or a bit later. For reasons involving technical detail and checking into some of the material that was there, it was realized that it would take perhaps until mid-October before the results of the investigation could be completed. I am advised that on July 15 MOT officials met with the Crown Attorney and pointed out that it would be this late before the report would be available, and asked the coroner to delay the inquest until that time, or at least not look for the report until that time. However, as the hon. member is aware, the inquest was started on September 30 and the report was not available until October 9.

I think it is in respect of this aspect that some sort of an accusation was made, although it was not really an accusation, against the investigators. MOT officials were asked to comment on the report and they chose not to comment on it. They were very helpful in furnishing the facts at the coroner's inquest. I think this is what brought about the situation.

As the hon. member said, it was another situation in which some people might have felt there was a conflict of interest. I am satisfied there was not. The hon. member said he felt the same way. However, it points to the need to bring in legislation to separate the two functions because we have a good reputation, nationally and internationally, in investigations of this kind.

It has been the duty and the responsibility of the Minister of Transport (Mr. Marchand) to carry out investigations, and I do not believe that there is any question that that has been done. But certainly if legislation can be introduced to make it even more true, that is what the government intends to do. I cannot tell the hon. member exactly when that legislation will be forthcoming, but I do believe it to be later on in this session, and I am sure the hon. member will have comments to make in the debate when it comes. I am sure he also appreciates some of the problems associated with the slight delay in tabling the report.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the parliamentary secretary, again, but the time allotted to him has expired. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Tuesday, October 29, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

First and second reports of Joint Committee on Regulations and other Statutory Instruments, in English and French—Mr. Robert McCleave.

[*Editor's Note: Text of foregoing reports appears in today's Votes and Proceedings.*]

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[*English*]

TRADE

TABLING OF PRESS COMMUNIQUÉ ON CANADIAN MISSION TO BRAZIL

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I am tabling in both official languages copies of the joint press communiqué on the Canadian mission which I led to Brazil.

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AGRICULTURE

BEEF CATTLE—SUGGESTED INVESTIGATION OF INDUSTRY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on a matter of pressing necessity I rise under the provisions of Standing Order 43 and move:

That in light of recent developments in the Canadian beef industry, the slaughter of calves in Manitoba and Ontario, the slaughter and subsequent hanging of three calves on scaffolds bordering Quebec's route 153, and today's threatened slaughtering of some 600 calves in Quebec, the House requests the Minister of Agriculture to establish an inquiry into the industry immediately.

Mr. Speaker: Order, please. The house has heard the terms of the motion. It being proposed pursuant to Standing Order 43 it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent it cannot be put at this time.

[*Translation*]

ADMINISTRATION OF JUSTICE

SUGGESTED ACCEPTANCE BY SOLICITOR GENERAL OF CHALLENGE TO DEBATE ON TELEVISION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity and I request the unanimous consent of the House.

Considering the invitation extended by Mr. Jérôme Choquette, Minister of Justice of the Province of Quebec, to the Solicitor General of Canada (Mr. Allmand), to meet him in a public debate, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That this House instruct the Solicitor General to meet Mr. Choquette's challenge without delay.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the motion cannot be put at this time.

* * *

AGRICULTURE

BEEF PRODUCERS—REQUEST FOR FEDERAL AID—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I seek the unanimous consent of the House under Standing Order 43 to propose a motion on a matter of urgent and pressing necessity, that is the very uncertain position of beef producers.

Since beef producers in Eastern Canada are slaughtering cattle day after day on or along the roads for the purpose of drawing the government's attention to their difficulties arising from an increase in production costs and a decline in beef prices, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House examine immediately the disastrous situation in which beef producers are now, and that recommendations be made in order to take immediate steps to protect those producers and thus spare the consumer difficulties arising in a few months.

Mr. Speaker: The House has heard the hon. member's motion which, under Standing Order 43, requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent the motion cannot be put.

Mr. André Fortin (Lotbinière): On a point of order, Mr. Speaker. Since I am forbidden to do so by the Standing Orders, I do not question the Chair's decision, but I want to say that, perhaps because we are sitting at one end of the House, we have not heard hon. members refusing unanimous consent to this excellent and very important motion of the hon. member for Bellechasse. In the name of my colleagues, I request that you ask once more whether there is unanimous consent.

Mr. Speaker: I can only say the refusal was quite clear for the Chair.

* * *

[*English*]

CRIMINAL CODE

AMENDMENT TO PROTECT JUVENILES FROM INVITATIONS TO ENGAGE IN SEXUAL ACTS

Mr. Bob Kaplan (York Centre) moved for leave to introduce Bill C-360, an act to amend the Criminal Code.

Some hon. Members: Explain.

● (1410)

Mr. Kaplan: Mr. Speaker, this bill will amend the Criminal Code to fill the gap created by a recent decision of the Ontario Court of Appeal. Before that decision an offender could be convicted, if found guilty, of making an indecent proposition to a child under 15 years of age if the offence were proven. The decision had the effect of requiring some physical touching to complete the offence. The amendment will restore the former law and give extra protection to children.

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

Mr. Speaker: Oral questions.

ORAL QUESTION PERIOD

[*English*]

FEDERAL-PROVINCIAL RELATIONS

REASON FOR MEETING WITH PREMIERS—PROPOSALS BY FEDERAL GOVERNMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister in connection with his meeting tomorrow with the premiers of the provinces. I am very pleased that this meeting is to take place. In view of the fact that the Prime Minister rejected the request for such a meeting a few weeks ago and now has invited the premiers to come to Ottawa tomorrow, can he tell the House what the new development is that makes the meeting seem worthwhile now when it seemed to him to be worthless just a few weeks ago?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not quite sure what the Leader of the Opposition is referring to in terms of what happened a few weeks ago. If he is referring to the idea proposed by Premier Davis in a speech he made at the Toronto Ex when he talked of a public summit, that is the idea I rejected. I have never rejected the idea of consultation; on the contrary, it was very much part of our policy. We talked about it in the Speech from the Throne and I have talked about it at various places publicly and about the importance of talking with all sectors of the Canadian public, including provincial governments.

Mr. Stanfield: A supplementary question, Mr. Speaker. Whatever request may have been made by a particular premier, it was an informal meeting that all the premiers requested following their own meeting. I should like to ask the Prime Minister whether it is intended tomorrow to put before the premiers a specific proposal with regard to the forum and the method of consultation which the government of Canada intends to pursue in order to see whether any consensus can be achieved among the principal groups in our economy as to how the GNP should be divided.

Mr. Trudeau: Mr. Speaker, I think the best way I can answer this is to indicate the process of consultation which we have always had in mind was an ongoing one; one which would proceed step by step. I would not want to convey to the House the idea that tomorrow we will make any kind of proposition to the provincial premiers. We have announced in the Speech from the Throne that there will be a federal-provincial conference with the premiers early in the new year. The precise type of proposal that the Leader of the Opposition is talking about would be better made then than tomorrow. Tomorrow is the beginning of a process in so far as the premiers's consultations with me are concerned.

Mr. Stanfield: A final supplementary, Mr. Speaker. I must say the Prime Minister's casual approach to the question of inflation is shocking to me.

Some hon. Members: Hear, hear!

Some hon. Members: Order, order!

Mr. Stanfield: We are going to see leadership in slow stages. May I ask the Prime Minister what he is bringing the premiers here for tomorrow and what will be the subject of discussion?

Mr. Trudeau: Mr. Speaker, we will be discussing the subject of inflation. It is not a public summit and I do not intend to reveal the contents of that meeting with the premiers.

AGENDA FOR MEETING WITH PREMIERS—SUGGESTED TABLING OF CORRESPONDENCE WITH PREMIERS CONCERNING MEETING

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, it is obvious that the Prime Minister remembers the actual circumstances in which this meeting was requested, because he responded so smartly in referring to the impotence of the premiers. I am sure he remembers.

Mr. Trudeau: I did not mean in the physiological sense.

Mr. Lawrence: In order that the premiers can be better prepared for the meeting, has the Prime Minister taken the opportunity of communicating with them with respect to guidelines or any type of agenda for tomorrow's meeting?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it was made clear in correspondence I had with them that we would be discussing the subject of inflation. That will be the essence of the agenda.

Mr. Lawrence: Mr. Speaker, so that the affairs of this country can be discussed in this House as well as with the premiers, would the Prime Minister do the House the courtesy of letting others in this chamber see this correspondence as well, or at least give us a general outline of what is going to be discussed tomorrow.

Mr. Trudeau: Mr. Speaker, I do not object to tabling a copy of that correspondence, provided I get the authorization of the premiers to table any responses. The House will not be deprived of its chance to discuss this. Indeed, we shall welcome constructive suggestions from the opposition. I will have an excellent opportunity to do this at the time of the budget.

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INDUSTRY

UNITED AIRCRAFT CORPORATION—STUDY OF GRANTS MADE TO CORPORATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Can the minister inform the House whether his department commissioned a comprehensive study of all federal government grants made to United Aircraft Corporation. If so, has it received the results of that study? Finally, if the answer is yes, will the minister make available to members of parliament the study to which I referred?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, it is an overstatement to suggest that a comprehensive study has been commissioned. Work has been done with respect to reviewing outstanding contracts between the government and UACL. That review establishes that roughly $66 million of some $70 million can be repaid, if the company makes a profit. I described these amounts as grants. I think that was the accurate way to describe these funds as, by the company's own admission, it has already lost $87 million.

Mr. Broadbent: Mr. Speaker, I think the minister misunderstood the question. I am referring not to a study which he may have requested within the past couple of weeks, but to a study of a much earlier time. Has a study been done with regard to the financial wisdom of making grants to that corporation in the first place? I am asking if such study was done some time ago, and it is to that study that I referred in requesting the minister to table the findings, if it was carried out.

Mr. Gillespie: Mr. Speaker, I have no knowledge of such study as alluded to by the hon. member, but will make inquiries with respect to the matter.

UNITED AIRCRAFT CORPORATION—SUGGESTED SUSPENSION OF GRANTS PENDING INQUIRY INTO OPERATIONS OF CORPORATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I ask a final supplementary question. Considering that the government of Quebec decided to suspend payment of part of the $2 million grant which had been made available to United Aircraft Corporation, because that government suspects the company has not carried out its obligations, and in view of the announced failure of de Havilland Aircraft Corporation of Toronto, which is now owned by the government of Canada, to carry out its production obligations because it cannot get engines from United Aircraft, will the federal government, because of its more substantial financial involvement with United Aircraft, consider suspending its grants to that corporation pending a full inquiry into its operations.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there are a number of different grants involving the government and the corporation which deal with particular projects. These are always under continuing review, to ensure that undertakings given by the company with respect to contracts are met.

* * *

● (1420)

[*Translation*]

AGRICULTURE

POSSIBLE FEDERAL PROPOSALS TO AID QUEBEC PRODUCERS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the hon. Minister of Agriculture.

In view of the prevailing situation in agriculture, and of the fact that calves are being sacrificed in the Shawinigan area and elsewhere in the province of Quebec, is the minister maintaining contact with his Quebec counterpart to find a solution to this very serious problem which is far from favouring farmers at the present time?

Mr. Speaker, our farmers being most justified to take such action, has the federal Minister of Agriculture any solution to propose to the Quebec government to remedy this situation?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member asked if I have a solution to Quebec's problem. I think certain responsibilities concerning this problem are provincial. As I said the other day, Quebec has put forward what is probably the most realistic program of any province to assist meat producers. We are working on a program which I hope will be realistic enough to assist them in a different fashion than the present provincial programs, including that of Quebec which, as I said, is the most far reaching of any program with regard to assistance.

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[*Translation*]

CONSUMER AFFAIRS

VEAL—REASON FOR DIFFERENCE IN PRICES TO PRODUCERS AND CONSUMERS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question for the hon. Minister of Consumer and Corporate Affairs.

Our farmers keep complaining that, while their calves sold last year for 60 to 75 cents a pound, they can hardly obtain 15 cents a pound this year. Yet, prices in meat markets and supermarkets remain exactly at the same level as last year.

Has the department taken steps to find out who are those who really abuse the situation and who are robbing Canadian consumers?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, may I remind the hon. member that Mrs. Plumptre is responsible for the review of food prices. On the other hand, I should like the hon. member to provide me with all the data he has just quoted to the House, because, apparently, they are not in complete accordance with the facts.

Mr. Caouette (Témiscamingue): A last supplementary, Mr. Speaker.

The minister has just said that the figures I quoted were not in accordance with the facts. In my area, and I know it, farmers sometimes organize public auctions, and the prices which they were offered in some cases were so low that they had to buy back their own cattle because they would have taken a total loss selling them on auction. Has the minister checked the figures of the Farmer's Union of the province of Quebec, which confirm exactly what I have just said?

Mr. Ouellet: Mr. Speaker, a study is presently under way on this subject, and if the hon. member wishes to provide me with other figures, I will be very glad to pass them along to those who are presently studying that matter.

[Mr. Caouette (Témiscamingue).]

[*English*]

PUBLIC SERVICE

WORK STOPPAGE BY GRAIN INSPECTORS IN VANCOUVER—GOVERNMENT ACTION

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the President of the Treasury Board. Due to the fact that 45 of 48 grain inspectors in Vancouver who booked off work yesterday have apparently been stricken by the germ which was incubated within the Labour Department at Ottawa during the strike of grain handlers, is the President of the Treasury Board willing to swallow the same antidote which the government forcibly imposed on farmers then in order to prevent extended work stoppages or a strike by these inspectors?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the inspectors in question are presently negotiating with the government. We hope that we will soon come to a satisfactory arrangement.

[*English*]

Mr. Towers: A supplementary question. Calling the tune as the government did in the grain handlers strike, is the government now prepared to pay the fiddler and will the President of the Treasury Board go to the west coast and meet with the grain inspectors in an attempt to resolve a very serious situation?

[*Translation*]

Mr. Chrétien: Mr. Speaker, there is a well established procedure in Canada to cope with such situations, that is negotiation and conciliation. We are therefore following the normal procedure. Those workers are not presently in a position to go on strike illegally, and we hope we will be able to solve the problem before they are in a position to strike.

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[*English*]

FEDERAL-PROVINCIAL RELATIONS

POSSIBLE PROPOSALS BY MINISTER OF LABOUR FOR DISCUSSION AT MEETING WITH PREMIERS—LIAISON WITH PRIME MINISTER

Mr. Lincoln M. Alexander (Hamilton West): I should like to follow up this matter, Mr. Speaker, in the light of the fact that collective bargaining is bound to be of particular importance in 1974-75. In view of the fact that in 1975 we shall be faced with the heaviest collective bargaining agenda in Canada's history, and since labour is concerned with protection against future inflation, could the Minister of Labour inform the House whether he has prepared recommendations aimed at avoiding a labour crisis in 1975 to put before the provincial premiers at the conference on inflation?

Hon. John C. Munro (Minister of Labour): I think a question relating to the agenda to be considered by the first ministers' conference dealing with inflation should more appropriately be addressed to the Prime Minister.

Mr. Alexander: I thank the minister for his answer but I do not know why I should have to direct the question to the Prime Minister; the Minister of Labour is surely making some input. I would ask the Prime Minister whether there have been any recommendations from the Minister of Labour, prepared in advance and aimed at avoiding a labour crisis in 1975, which the right hon. gentleman can place before the premiers at the conference on inflation? Has there been any liaison between the Prime Minister and the Minister of Labour on this most sensitive and important issue?

Right Hon. P. E. Trudeau (Prime Minister): Of course, Mr. Speaker, in the kind of consultations we have in mind the Minister of Labour will play a very important role. As far as I am concerned, it is not intended, tomorrow, to go into any details with the premiers on that particular subject. But if they have proposals to make which might be of interest to the Minister of Labour I will certainly make sure he hears about them.

POSSIBLE PROPOSALS BY MINISTER OF FINANCE FOR DISCUSSION AT MEETING WITH PREMIERS

Mr. Lincoln M. Alexander (Hamilton West): It seems to me that the Minister of Labour and the Prime Minister are playing hanky-panky with a serious situation. As I understand it, on September 16, the Minister of Finance stated:

> It is important that we seek to develop a national consensus in support of working out a fair and reasonable balance between wages, prices and profits which would best serve the common interest of us all.

I would now ask the Minister of Finance, if he is serious, whether there has been any discussion between himself and the Prime Minister in order to bring this principle of his before the premiers tomorrow to determine whether there is a possibility of reaching a consensus regarding these matters.

Hon. John N. Turner (Minister of Finance): Yes, sir.

Mr. Lawrence: On a point of order. I do not wish to waste the time of the House but I think the answer—

Mr. Speaker: Order, please. I will come to the hon. member's point of order in a moment. With an answer like that I really think it would be improper to cut off one final supplementary from the hon. member for Hamilton West.

Some hon. Members: Hear, hear!

Mr. Alexander: Now that we are finding that something is going on over on the other side, would the Minister of Finance be kind enough to advise us whether he is prepared to table the recommendations he has made to the Prime Minister in this regard so that we can all have some idea what will happen?

Mr. Turner (Ottawa-Carleton): Conversations between the Prime Minister and other members of the government at this stage are within the realm of cabinet confidence. As the policy is developed it will appear on the floor of the House.

Mr. Lawrence: Mr. Speaker, I really do apologize for rising on a point of order—

Some hon. Members: Well, sit down, then!

Mr. Lawrence: —but that does not prevent me from raising it. The Minister of Labour referred in the House a few moments ago to "the agenda for tomorrow's conference."

The Prime Minister indicated to me that there was no agenda for tomorrow's conference. Can the Minister of Labour tell the House whether he has actually seen this agenda or not?

Mr. Speaker: I am not sure about the validity of the point of order but if the minister wishes to clarify his use of that term he may do so.

● (1430)

Mr. Munro (Hamilton East): Mr. Speaker, quite simply, as I understood it, the hon. member for Hamilton West asked me about some agenda for the conference tomorrow. Without dwelling unduly on the word "agenda," I take it he was concerned with the question of labour-management relations generally and how we would confront the whole labour situation and collective bargaining in the ensuing year. I indicated to him that in terms of the Prime Minister being chairman of the first ministers conference it would be more appropriate for him to direct the question to the Prime Minister, and that was all there was to it.

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EXTERNAL AFFAIRS

ESTABLISHMENT OF RELATIONSHIP BETWEEN PRESIDENT OF UNITED STATES AND PRIME MINISTER

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As the Prime Minister will shortly be undertaking a very important trip to Washington to make the acquaintance of the new President of the United States and discuss very important matters with him, does the Prime Minister feel confident that he will be able to bring about the same degree of mutual respect and warm personal friendship with Mr. Ford as he was able to generate with President Nixon, as evidenced by the Watergate tapes?

Some hon. Members: Oh, oh.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, after sitting across the aisle from the hon. member for Prince Edward-Hastings for something like six years, I know that the friendship between us has not been impaired by the kind of foul language that he thinks will be used.

Some hon. Members: Oh, oh.

Mr. Hees: Mr. Speaker, does the Prime Minister's unwillingness to answer that very important and serious question, one that is very important to the good of the country's future, mean that he does not believe that he is

going to be able to evoke from Mr. Ford even the same appreciation of his qualities as he got from Mr. Nixon?

Mr. Trudeau: Mr. Speaker, my answer to that question is that it is obvious that the hon. member does not know the difference between razzmatazz and a hole in the ground.

Some hon. Members: Oh, oh.

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ENERGY

FEASIBILITY STUDY OF CONSTRUCTION OF ARCTIC RAILWAY TO TRANSPORT OIL AND GAS—TABLING OF SUMMARY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, some weeks ago the Minister of Energy, Mines and Resources stated that an investigation was being made to determine whether or not railway transportation through the Crowsnest pass of oil and gas was viable and practicable. I ask the minister whether there has been any further consideration given to this matter since, as I recall it, a final decision was expected in the latter part of October.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, may I ask the right hon. gentleman whether he was asking about a rail line or the over-all transportation of oil?

Mr. Diefenbaker: Mr. Speaker, it is still rather general. That type of answer leaves quite a hole in the head. Is any consideration now being given to determining the practicability of bringing oil and gas from the north by rail through the Crowsnest pass, thereby preserving the environment from many of the dangers that would otherwise be present should a pipeline be constructed?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman is referring to the study carried out at the instance of the Minister of Transport and myself by Canadian National and Canadian Pacific. The study has been received. I think I am right in saying it consists of six volumes which are now being translated. It would be the proposal of our department to lay on the table, probably next week, another summary so that it can be before the House before the full document is available.

Mr. Diefenbaker: As far as laying a summary before the House is concerned, has the government given any consideration to this action being taken so that oil and gas from Alaska, the Northwest Territories, the Yukon and so on can be hauled by train rather than moved by pipeline? Is the government giving any such consideration to this, or is it simply placing before the House six volumes which, before translation, the minister apparently does not understand?

Mr. Macdonald (Rosedale): Mr. Speaker, I am sure the hon. gentleman would want—

Mr. Stanfield: We want an unexpurgated edition.

[Mr. Hees.]

Mr. Macdonald (Rosedale): —as the Leader of the Opposition would want, to make certain that we lay all documents before the House in both official languages. But apparently the Leader of the Opposition does not agree with that.

Mr. Stanfield: Mr. Speaker, I rise on a point of order. I really do not mind the thumper, if I may use that term informally, inputing statements or attitudes to me, but I do want to say that what I actually said was that we do not want any expurgated edition, particularly any expurgation that is conducted by the minister.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Speaker, it seems to me that I have touched a point there, which may not be without significance. I can only say that the government has given some consideration to the possibility of building a railroad in this regard, but no final decision has been taken.

Mr. Diefenbaker: If you had answered the question that way in the beginning, we would have saved a lot of time.

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INDUSTRY

FOREST INDUSTRY IN BRITISH COLUMBIA—GOVERNMENT MEASURES TO STIMULATE TO ALLEVIATE UNEMPLOYMENT

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the worsening unemployment picture in Canada—

Some hon. Members: Oh, oh!

Mr. Hees: There will be trouble in caucus tomorrow.

Mr. Anderson: —in the forest industry, can the minister advise the House whether—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. In view of the obvious and dramatic increase in the popularity of the hon. member who is attempting to pose a question, it might be very worthwhile listening to what his question is.

Mr. Anderson: Thank you, Mr. Speaker. In view of the worsening employment picture in Canada—

Some hon. Members: Hear, hear!

Mr. Anderson: —and particularly in British Columbia in the forest industry, can the minister advise the House what steps his department has taken, or will take, to stimulate the forest industry and alleviate the unemployment problem?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, my department has been very active through a variety of measures and programs aimed at finding new export possibilities for the Canadian lumber industry. We have had recent successes in Japan,

Iceland, Cuba and the Middle East. Indeed, my officials are just about ready to leave for the Middle East. May I add that my officials, on an urgent basis, are examining other options which the government might adopt to ensure and assist the production of lumber during this winter.

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

Mr. Speaker: Order, please. I point out that with that commercial message we have come to the halfway mark in the question period. The hon. member for Selkirk.

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● (1440)

FISHERIES

INABILITY OF FISHERMEN TO FILL QUOTAS BECAUSE OF STRIKE AT PLANT OF FRESHWATER FISH CORPORATION—ELIGIBILITY OF FISHERMEN FOR UNEMPLOYMENT INSURANCE

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is directed to the Minister of Fisheries. In view of the strike by the Freshwater Fish Corporation Employees in Transcona, is the minister planning any action to compensate those fishermen, who have not filled their quotas, and who cannot fish because they cannot sell their fish to the corporation.

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, this is a matter which we are investigating. I hope to have a more complete answer for the member perhaps tomorrow.

Mr. Whiteway: Mr. Speaker, I have a supplementary for the minister. Could the minister inform the House what steps he plans to take with reference to the unemployment insurance qualification which cannot be met because the fishermen cannot fish, therefore cannot sell and therefore do not qualify for UIC benefits. Would the minister also tell the House what steps will be taken in respect of the same problem in connection with the Canada Pension Plan.

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the hon. member knows that the responsibility for the two programs he mentions lies with other ministers. We will consult with them to see what they intend to do.

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PUBLIC SERVICE

WORK STOPPAGE BY GRAIN INSPECTORS IN VANCOUVER—GOVERNMENT OFFER—SUGGESTED BASIC MINIMUM OFFER TO ALL EMPLOYEES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the President of the Treasury Board. In view of the seriousness of another work stoppage in respect of grain shipments out of Vancouver would the minister explain to the House what he means by collective bargaining when apparently representatives of the government made an offer of 8 per cent and 8 per cent, which is less than the increase in the cost of living.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the government negotiators are doing their job properly. They are now discussing with the employees, and I hope that the latter will wait for the conciliation board report before going on strike, because they cannot stop working before the expiration of these legal delays.

[*English*]

Mr. Orlikow: Mr. Speaker, I have a supplementary. Would the minister discuss with his cabinet colleagues the possibility of establishing as a basis for all collective bargaining on the part of the government with its employees, of which there are many groups now entering collective bargaining, the basic policy that the minimum the government would offer any of its employees would be the actual increase in the cost of living, plus the projected increase in the cost of living for the coming year, plus the increase in productivity as recommended by Mr. Justice Hall during his consideration of the railway workers case a year ago?

[*Translation*]

Mr. Chrétien: Mr. Speaker, our negotiations with government employees are not conducted on exactly the same basis for all groups. Some of them have some catching-up to do while it is not necessary for others. A universal policy cannot be enforced in view of the circumstances.

[*English*]

Mr. Orlikow: I have a last supplementary, Mr. Speaker. Because not every group is in exactly the same position, I suggest that the minister immediately consider using a floor from which the government would operate, namely, that at least the cost of living increase be taken into consideration plus productivity. I wonder whether the minister would consider that as a floor.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I do not think it proper to negotiate collective agreements for the 315,000 government employees in this very House of Commons. Parliament has legislated into being a mechanism designed to settle that matter and we are endeavouring to use it as provided by the law.

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SOCIAL SECURITY

GUARANTEED ANNUAL INCOME—SUGGESTED CONSIDERATION OF UNITED STATES STUDIES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

In view of the fact that an American senate committee is now studying the $3,500 guaranteed annual income formula recommended to the government for every American citizen, which formula would replace the bureaucratic, dehumanizing and costly welfare system, has the minister asked the officials of his department to follow the work of that committee in order to become acquainted with every

aspect of the proposal, which creditistes have been advocating for a long time indeed?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my senior officials indeed follow all studies on the subject being carried out in Canada and elsewhere throughout the world. I am convinced that they are very well aware of the debates of the American senate in this regard.

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary for the Minister of National Health and Welfare.

Since he is aware of the work being done in the United States in this regard, has he ordered his officials to study it or is he merely waiting for their results before applying them in Canada?

Mr. Lalonde: Mr. Speaker, let me say simply that the research being done in Canada in this field, especially that carried out by my officials, is probably further ahead than what is now being done in the United States or just about anywhere, at the present time.

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IMMIGRATION

SUGGESTED REFUGEE STATUS FOR HAITIANS—GOVERNMENT ACTION

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

The Minister Responsible for Immigration has already said in this House, in answer to a question raised by my colleague from Greenwood, that the applications from Haitians living in Canada who are threatened with deportation to their country, and I quote the remainder of the answer:

—were fully considered within the department and that they would take such appropriate measures as appear wise.

Is the Minister prepared to recognize on the one hand that it is the normal attitude of the officers from his department, towards any record submitted to the Immigration Appeal Board and on the other hand that, considering the situation prevailing in Haiti, the cases of all these Haitians threatened with deportation should now be considered collectively and, in this regard, that the time has come for the Minister to submit the whole matter to the Cabinet, even if the Quebec government remained discreet on the subject?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I cannot make any further comment beyond what I said yesterday. I repeat that we will deal with each of these individual cases on its own merit in the prescribed manner which is that there will be a review of refugee applications by the government's interdepartmental committee on refugees and there would be further access or appeal to the immigration appeal board which body also can deal with the evidence in each individual case, but I am not prepared at this stage to recommend a mass refugee declaration which would involve many people but rather intend to deal with them on an individual basis.

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[*Translation*]

EXTERNAL AFFAIRS

REQUEST THAT HAITIANS BE INFORMED OF CANADIAN IMMIGRATION REGULATIONS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs.

Since there are Haitians living in Canada who have already been expelled from this country or may possibly be expelled in the near future, and since their lives and security and those of their families would be in danger in Haiti, could the minister say to the House whether he has made or will make representations to the Haitian authorities so that our immigration legislation are well publicized in that country. That would be an act of basic humanitarianism to plead the cause of those Haitian expelled from our country, in order that they may suffer no prejudice when they go back home. This is the question I ask the minister with the same sense of humanitarianism I had when I heard the answers of the Prime Minister in Paris, speaking of Chileans on French television.

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have not intervened with the Government of Haiti with regard to the persons who wish to return there and who may fear reprisals. I shall take under consideration the hon. member's representation which undoubtedly will be noted by the Haitian authorities themselves.

Mr. Speaker: The hon. member for Annapolis Valley.

Mr. Andras: I rise on a point of order, Mr. Speaker, in response to the question of the hon. member in which he referred to the question of information given to Haitians in Haiti about Canadian immigration law. I think he should know, as I have been informed, that subsequent to the changes in respect of access to landed immigrant status by applicants within Canada the Haitian government published a full explanation of those changes in Canadian regulations in the newspapers in Port-au-Prince.

We sent an officer to Port-au-Prince who sought an audience and received about 25 tourist agencies and fully explained the regulations so that there would be a full understanding in that country of what access to Canada legally was.

● (1450)

COMMUNICATIONS

AVOIDANCE OF DISCUSSION OF CONFLICT OF JURISDICTION AT MINISTERIAL MEETINGS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications. In view of the lengthy correspondence which he tabled in the House on Friday, October 25, indicating his point of view and those of other ministers of communications, can one assume that as a condition precedent of the next communications ministerial meeting there will be an agreement to have no discussion whatsoever on conflicts of jurisdiction between the authorities?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): I have already stated publicly, Mr. Speaker, and I see I must repeat it once more to answer the hon. member's question, that if the provinces want to amend the Canadian constitution, it is certainly not the Minister of Communications they must see, but the assembly of prime ministers.

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[*English*]

INDIAN AFFAIRS

ALLEGED POLICE BRUTALITY AGAINST BILL BLACKNED— REQUEST FOR INVESTIGATION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and it is with regard to the incident which took place in Hull last Saturday when an Indian Youth named Bill Blackned of Rupert House was allegedly brutally manhandled by the police. In view of the fact that the youth has studied at the Hull CEJEP under the auspices of DIAND, would the minister say if the department is investigating the incident and if the student is receiving legal assistance from the department?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): The situation concerning this lad and the other one is being looked at by the department.

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LABOUR CONDITIONS

SUGGESTED AVOIDANCE OF CRISIS BARGAINING AND REINSTATEMENT OF CONCILIATION IN SETTLING DISPUTES

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Minister of Labour. In light of the report made by Mr. Stanley Hartt, and in view of the impending national crisis facing us with an Air Canada strike, is the minister prepared to exercise his option under the Canada Labour Code and give his assurance to the House that he will not appoint boards and commissioners in labour disputes in order that crisis bargaining may be avoided?

Hon. John C. Munro (Minister of Labour): No, Mr. Speaker.

Mr. Friesen: Is the minister prepared to take action to reinstate the conciliation stage as the truly last stage in the settling of labour disputes?

Mr. Munro (Hamilton East): Each labour dispute deserves the treatment that the events which occur warrant. But I might say that when the hon. member puts forward a proposition of that kind, he should reconcile the various opinions that emanate from his own party.

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GRAIN

POSSIBLE REMOVAL OF CROWSNEST FREIGHT RATE— REQUEST FOR STATEMENT OF GOVERNMENT INTENTIONS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to direct a question to the minister in charge of the Canadian Wheat Board. It is with regard to remarks made to the Canada Grains Council as reported in today's press with respect to the matter of the removal of the Crowsnest pass rate. I wonder if the minister, having regard to the great uncertainty that his remarks have now caused the western farmer, will give serious consideration to making a definitive statement at this time with respect to the government's intention or else to the effect that he will lift this proposal and put it to summer fallow for good?

Hon. Otto E. Lang (Minister of Justice): It would not be appropriate at this time to make a statement to the House in a formal way with regard to the government's policies, and I made it clear to the meeting in Edmonton that I was putting forward some ideas to be discussed by the Canada Grains Council and others. I made it emphatically clear at the meeting that this government was not moving away in any sense from the benefit of the Crowsnest rate in what I am suggesting. I suggested that I would not be a party to any such move that would lift the benefits, and this was the idea that I was putting forward, that the benefit from the Crowsnest rate to the extent that it is enshrined in our traditions might well be transferred to the prairie producers in a better way than through the inflexible rate itself. I emphasized that in my view any change would have to be enshrined in the statute to be useful.

Mr. Diefenbaker: It is just a double cross of the western farmers.

Mr. Hnatyshyn: Would the minister give an assurance to the House that any suggestion or proposal with respect to the removal of the Crowsnest pass rate would not be made before the government is in a position to make a comprehensive proposal with respect to western transportation in general relating to the grain trade, and furthermore, not before every interested party and group in Canada will have had an opportunity to make full and adequate representation to the government?

Mr. Lang: Mr. Speaker, hon. members are familiar with my strong belief regarding the putting forward of suggestions to the producers and receiving their views and consulting them in many different ways. This particular proposal is part of a three of four year review which has gone on with regard to our grain handling and transportation system. We are reaching the point of making some extremely important decisions about the future of that system, and any changes that might be made in the next months and years will require legislation in this place, at which time there will be an opportunity for more discussions. But the express point of my putting forward the idea before it is a firm proposal from the government is to encourage reaction to it. I still firmly believe that the transfer of benefits from the rate to some other form for the direct benefit of producers would be of immense advantage to them.

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AGRICULTURE

CATTLE PRODUCERS—REQUEST FOR FEDERAL AID

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Agriculture who has just now disappeared from the chamber, but I will put it to the Prime Minister. In view of the fact that I have spoken to many farmers who have received as little as eight cents a pound for cows they have sold, and in view of the fact that farmers are now threatening to kill a lot of cattle across this country in protest, I should like to ask the Prime Minister whether or not this government will provide immediately some emergency aid to cattle producers so that they can keep their cattle and not deplete their herds.

Right Hon. P. E. Trudeau (Prime Minister): The Minister of Agriculture has just returned.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member knows the position of the provinces in this respect, and I am sure he knows the position taken by his home province. They are asking us to share in their program with them; they seem to think it is satisfactory, but they must know that many cow-calf operators think it is unsatisfactory. Top grade cattle in Canada are selling at a higher price today than they have been for two weeks. We are working on a program which we think will supplement the programs that have been put into force by provincial ministers, but there are differences between the provinces. In fact, only two of the programs are similar, and three are very different. It is difficult to complement them.

Mr. Nystrom: The minister referred to some of the top beef cattle in the country. I was asking about cows that are selling as low as eight cents a pound and I was asking what the minister will do about this. For many weeks he had been saying he would do something; I want to know what it is. Is there aid coming or is there not?

Mr. Whelan: I would appreciate it if the hon. member would suggest some programs that he thinks might aid them.

[Mr. Hnatyshyn.]

Some hon. Members: Oh, oh!

Mr. Whelan: I have always believed in consultation and I would accept suggestions. We have received many suggestions from the provincial people when they were here in October, but they were not unanimous on what should be done. If the hon. member can think of any programs that will aid cattle producers who are selling cows for the low price which the hon. member stated, I would like to hear of them because I do not know of any program that would take care of the situation. Most of them are culling cows from their herds as has been recommended by the provinces. They cull cows from their herds, and they are usually made into hamburger.

Some hon. Members: Oh, oh!

Mr. Whelan: I would like to point out that some of the sirloin steaks and filet mignons also come from the eight cent or ten cent a pound cow and the restaurants were saying these were costing them $1 a pound last week by the carcass.

Mr. Nystrom: I rise on a point of order. I seriously suggested to you, Mr. Speaker, when members of the House, whether on the opposition or on the government side, ask a minister a question, it is the right of members of the House to have the minister answer that question, and this minister has not done that; instead, he has asked me a question. He wants me too suggest some alternatives to him. I can do that if you would give me the time to do it. In fact, I would be glad to suggest some alternatives to him. My point of order is that I think we in the House deserve to have ministers of the Crown give us answers when we ask them specific questions.

Some hon. Members: Hear, hear!

* * *

● (1500)

TRANSPORT

ALLEGED CONFLICT IN STATEMENTS BY MINISTERS ON CROWSNEST FREIGHT RATES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the Prime Minister which is supplementary to that put by the hon. member for Saskatoon-Biggar. Can the Prime Minister advise this side of the House who we are to consider the official government spokesman on transportation matters? We have had the minister in charge of the Wheat Board indicating that the Crowsnest freight rates should be reviewed and he went into some detail on how that should take place. On October 23, at page 676 of *Hansard* the Minister of Transport indicated, and I quote:

—no one in my department, and certainly not in my office, indicated that we should modify the Crowsnest pass rates.

Who are we on this side of the House to believe?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is the practice in my government that minis-

ters are not prohibited from thinking about the future and this does not mean that the status quo will not be preserved in the meantime. Contrary to the Conservative Party, we are always thinking ahead and I do not propose to prohibit my ministers from doing that.

* * *

AGRICULTURE

BEEF CATTLE—PROPOSED UNITED STATES IMPORT QUOTAS—GOVERNMENT ACTION TO FORESTALL

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question for the Minister of Agriculture relates to last Friday's trade information committee hearing in Washington that was convened to discuss Canada's cattle policies. In view of the alleged unfair and inequitable status of Canada's global quotas for cattle and beef, as charged by all six U.S. witnesses at this hearing; and since the minister or his department was not present at the meeting even as observers; and in view of the excellent and very well researched brief presented by the Canadian Cattleman's Association at this meeting, will the minister give the House some positive assurance that he intends to fully support the CCA brief in an effort to forestall almost certain quotas or embargoes on Canadian cattle and hogs entering the United States?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we followed the usual procedure with the representatives at the Canadian Embassy and a Canadian government representative was there to observe the proceedings. I might say that the Canadian Cattleman's Association brief was prepared in full consultation with our departmental people. I concur in everything they said and also disagree greatly with the American cattlemen's representations that were made according to reports I have received from my officials, and also I agree with the hon. member who asked the question.

* * *

REGIONAL ECONOMIC EXPANSION

HALIFAX—REASON FOR DELAY IN SETTING UP MAGI—APPOINTMENT OF CHAIRMAN

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. I should perhaps first of all compliment him on his success in international diplomacy apropos of what the Prime Minister just said. I should like to ask the minister if he intends to appoint a chairman or chief executive officer of MAGI, a proposal which was put forward, I think, in the 1972 election campaign as something that would be set up immediately in the metropolitan Halifax area and was to be a great step forward. Can we expect an announcement this weekend at the DREE conference in Halifax and is there any reason why members of parliament are not invited or able to attend that conference?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, there are several elements in that question. When the hon. Leader of the Opposition talks about my success in international diplomacy I cannot tell whether he is referring to my activities in London or in St. John's Newfoundland, at the weekend.

On the question of MAGI I can advise that within the last ten days we have received the names put forward as directors of the corporation by the government of Nova Scotia. My recollection is that we are required to put up two additional names, and I see no reason why this cannot be done within a week or ten days. In that case the board of directors would begin to carry out the required search for a chief executive officer. On the matter of the weekend conference, if the hon. Leader of the Opposition or any member of parliament has not been invited I sincerely apologize. Of course, they are welcome.

Mr. Stanfield: A supplementary question. In view of the fact that in the past the delay in setting up this MAGI was attributed to the difficulty of the minister and the Premier of Nova Scotia in reaching agreement on a chief executive officer or chairman, what is the great breakthrough now? How does the minister expect the directors to solve something that he and the premier could not solve face to face? And I am not getting mixed up in any international diplomacy in St. John's, Newfoundland!

Mr. Jamieson: Mr. Speaker, on the question of procedure, over the past 18 months a number of suggestions have been advanced on how the search for a chief executive officer might be pursued. This was not successful. As the hon. Leader of the Opposition is aware, the government of Nova Scotia suggested that the directors be put in place and given the responsibility for the search. I am prepared to move in that direction and they have accepted the responsibility.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

TRUST COMPANIES ACT

MEASURE TO INCREASE BORROWING POWER OF COMPANIES AND AUTHORIZE ISSUANCE OF SUBORDINATED NOTES

Hon. John N. Turner (Minister of Finance) moved that Bill S-7, to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, this bill proposes to make certain amendments to the Trust Companies Act and the Loan Companies Act. These statutes provide for the incorporation and supervision of federally-incorporated trust companies and mortgage loan companies, respectively.

Trust Companies Act

Trust companies raise money from the public by accepting deposits and selling guaranteed investment certificates. Loan companies obtain their funds by the sale of debentures and the acceptance of deposits. For both types of companies the relevant statute places a maximum limit on the funds that can be obtained from the public. At present, this maximum limit is 20 times the company's capital and surplus, which can only be reached with the approval of the minister. The effect of these limits is to require the maintenance of at least a minimum excess of assets over liabilities to the public. This provides a safety margin in the sense that any asset losses can be absorbed first by this excess before any question arises as to the ability of the company to meet its obligations.

The maximum limit on the amount that any trust or loan company may borrow from the public was raised in 1970 from 15 to 20 times a company's capital and surplus. However, because of the rapid expansion being experienced by these companies, a number of them are now reaching the new limit. As a result, the companies requested that the existing capital margins be modified to enable them to continue to expand.

The government recognizes that a number of trust and loan companies are sufficiently sound, financially and from the standpoint of management, to justify some expansion beyond existing limits as previously referred to. In this bill we are, therefore, proposing that the Trust Companies Act and the Loan Companies Act be amended to permit a trust or loan company to borrow—in the case of trust companies it is more accurate to say that they accept money from the public in trust—in excess of 20 times a company's capital and surplus, subject to the adoption of an enabling bylaw establishing a new limit, which bylaw would have to be approved by the minister.

The authority to exceed the limit will also be subject to the ability of the company to meet a number of financial criteria that will be established by regulations. The amendment proposed would also empower the minister to require, as a condition of approving the borrowing bylaw, that some proportion of the additional borrowings in excess of the present limits be in the form of subordinated notes. This is desirable to ensure that a company retains an adequate margin of protection for, first, depositors; second, the holders of guaranteed investment certificates; and third, the holders of ordinary debentures.

As I have mentioned, the issuance of subordinated notes is part and parcel of the increased borrowing limits, and the bill would therefore expand the corporate powers of the companies to enable them to issue such subordinated notes subject to certain limitations designed to avoid confusion between the subordinated notes and any other instrument the company might issue to the public. I should mention here that these notes are intended primarily for sale to institutional investors and will only be issued in denominations of $25,000 or more.

● (1510)

Because of the rapidity with which events seem to change in the financial world in current years, it is desirable to have some slight flexibility in the application of these limits. Because of rapidly increasing deposits or a drop in security values, a company may find itself at or near its limits more quickly than might be expected. In order to provide some time to the company to arrange for additional capital or a modification of its pattern of growth, the bill contains two provisions that would, in certain circumstances, permit a company to accept funds in excess of limits otherwise applicable.

The first of these provisions relates to the amount off highly liquid assets, cash and government bonds, held by a company. A company would be given authority to accept funds from the public in excess of limits otherwise prescribed, to the extent that its highly liquid assets exceed the minimum prescribed by the act. The other special provision is that under terms and conditions prescribed by the minister, funds received by way of a loan from a shareholder or shareholders may be treated as though they were part of the capital for purposes of computing the limit on funds accepted from the public, provided the loan is made on terms subordinated to all other indebtedness of the company. It would be expected that the terms and conditions prescribed by the minister would be such as to make the use of subordinated loans in this way a temporary expedient to be replaced by permanent capital at an early date.

It occasionally happens that a company may find itself in excess of the limits imposed by the provisions of the act. Should this happen, the Superintendent of Insurance is required to report to the minister, and the minister may prescribe a time within which the company is to remedy the defect, he may impose conditions on the company or, in an extreme case, he may direct the superintendent to take control of the company's assets.

Some question has been raised concerning the obligation of a company toward its depositors and creditors in respect of funds received during a period that it is in excess of the limits otherwise prescribed. To remove any doubt on this score, the bill makes clear that in such case a company's obligations are not affected by the fact that it is in excess of those limits.

It is in the public interest that the amendments proposed by this bill be adopted, since trust companies and mortgage loan companies are an important source of funds for residential mortgages. The additional funds that these amendments, if passed, would allow them to raise would, of course, enable the companies to expand their lending activities while maintaining their financial stability. It might be of interest to note that at the end of 1973 there were 17 federally-incorporated trust companies with total assets exceeding $3.5 billion. This includes company funds and funds received in trust, the repayment of which is guaranteed. There were, as well, 14 mortgage loan companies with aggregate assets of approximately $3.25 billion.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to raise a preliminary matter before speaking to the actual bill. My suggestion might help to facilitate the business of this House. This bill was given third reading in the other place last Thursday or Friday. It was studied in a committee of the other place. Unfortunately, it will not be possible for us to obtain a transcript of the evidence taken before that committee until the end of this week. I know the purpose of the government, and commend it for initiating this kind of legislation in the other place. I think the Senate Committee on Banking and Commerce can do

[Mr. Cullen.]

an admirable job of investigating, questioning, and so on, with respect to legislation. The transcript of evidence taken before that committee would help hon. members of this House, in the same way as evidence taken before the Standing Committee on Finance, Trade and Economic Affairs is helpful to hon. senators. But to be helpful we must have those transcripts. Efforts must be made to speed up their release.

Owing to the change in the scheduling of this bill, backbenchers both on this side and that of the government are at some disadvantage in that we do not have the benefit of knowing what happened in the other place. I hope the government will initiate more bills there and I commend the government House leader for what he has done. However, I ask him to keep in mind what I have said and have someone on his staff see that transcripts of evidence from Senate committees come forward as soon as possible so we can use them.

My second point also concerns scheduling. This bill is to be referred to the Standing Committee on Finance, Trade and Economic Affairs. Government supporters on that committee should be interested in the bill and may want to hear this debate, but they are dealing with another bill this afternoon. The government has asked them to do this. The committee was supposed to sit tonight but for some reason the sitting was advanced to this afternoon. Three or four members of my party who should be attending that committee, which is dealing with the Federal Business Development Bank Act, cannot attend; they must remain in the House to deal with this particular bill. I ask for closer scheduling of these matters.

I also wish to comment on the order of business and I draw my remarks to the attention of the government House leader. I am referring to the many bills referred to the Standing Committee on Finance, Trade and Economic Affairs; there is a long queue of them. I do not think we are advancing House business simply by passing bills in this chamber and referring them to that committee, where they must remain queued up. Other House committees have nothing to do at present, and legislation could and should be referred to them. I know that this is sometimes difficult to arrange. In the previous session of parliament, of the first nine items six were sent to the finance committee. It had difficulty doing its work and government supporters on the committee and members from the opposition were very hard pressed.

Let me turn my attention to Bill S-7. Frankly, I wonder why the government has brought forward this bill at this time. It is some time since there was an examination of the business of banking and of the granting of credit in Canada. In view of rapidly changing events, and as conditions in the 1970s are far removed from those of the 1950s, I would expect the government to set up another commission of inquiry of the nature of the Porter royal commission on banking, which was set up almost 15 years ago. True, its findings were not handed down until 1964, but these things take time. I suggest that the government should give earnest consideration to again setting up such an inquiry, if the new Bank Act which I have discussed is to be brought in by 1977.

I do not think the public, the banking system or the government have sufficient information on hand to bring down the type of Bank Act we shall need in 1977. Conditions have changed immensely since the time amendments to the Bank Act were brought forward following the report of the Porter commission. I remember when the President of the Privy Council (Mr. Sharp), then minister of finance, brought forward those amendments. Even then I was concerned about a good deal of the philosophy embodied in the changes, even though the Bank Act was out of date. However, there were some steps forward.

● (1520)

With the greatest respect, all the government is doing with this bill is tinkering with one or two bolts in the machinery of credit granting and banking. After all, these trust companies do engage in the business of banking. We are not dealing with their powers as executors or their powers as mortgage companies to invest in realty mortgages. At this point we are dealing with the concept of a trust company as a credit granting institution. There is no way anyone can put it any other way; a trust company does engage in the business of banking.

As I said, this bill is a mere tinkering with a couple of bolts of the machine. It is not as serious as the tinkering that is proposed in Bill C-7, where there is quite a fundamental change of philosophy by introduction of the notion of partial public ownership in our chartered banks. That is something quite new, quite different; but it is tinkering of the worst kind. It represents moves now and then which are unrelated. Our entire credit granting and banking system in this country is far too complicated and far too important to engage in any of this ad hoc, unscheduled, uncoordinated tinkering.

Bill C-7 is only window-dressing in response to the premier of one province—possibly the premiers of two—having a delusion or illusion of grandeur. They feel they should be able to move in on one or more of the chartered banks. If and when Bill C-7 comes forward, we will have plenty to say about it. However, I feel this is a wrong step by the government in principle and philosophy in its strategy to deal with the banking system of Canada.

The parliamentary secretary was quite correct—there is no pretension of the legislation holding out more. This legislation will affect only trust companies falling under federal jurisdiction. In number they are small compared with the totality of trust companies operating in Canada. The biggest trust companies are not under federal jurisdiction. For example, the Royal Trust Company and the Montreal Trust Company escape the direct jurisdiction of federal legislation because they are provincially-incorporated trust companies. True enough, there is some indirect control over them through the deposit insurance regulations, but that is a very untidy and improper way of dealing with the situation. These companies engage in the business of banking. My answer to this question is that there should be a general banking act defining the business of banking. Anyone, whether incorporated provincially or federally, would then have to submit to the jurisdiction of the act.

The Superintendent of Banking should be a much more active official, not merely a passive receiver of information from our financial institutions. We should have a much wider banking system which would permit mer-

chant banking, for example. This would do away with the "suitcase banking" that has been going on in many areas. Foreign banks operate through agents coming into Canada as visitors; they set up in a hotel room. They are engaged in the business of banking in Canada but are totally beyond the reach of the Minister of Finance or any supervisory agency of the government. Something is wrong when we have this situation.

It seems to me there is a proper way to deal with these matters, and I will come back to this point time and time again. I thought I had the minister of finance of the day at least partly persuaded in 1965 and 1966 that we should have a general banking act with appropriate sections or portions applicable to our chartered banks. They are a category of banks. I would also like to see merchant banks and trust companies, in their banking functions, controlled under such an act. At the present time we do not have the necessary flexible instruments in Canada. The lack of flexibility is clearly pointed out by this attempt to introduce a degree of flexibility of formula with regard to expansion of the lending powers of trust and loan companies.

However, there is one point here that I do not like. There is no specific control on the limit of overborrowing by trust companies. It is at the discretion of the minister. Parliament is being asked to give a blank cheque. What will motivate the minister to exercise his discretion? How will there be any certainty in so far as the operations of trust or loan companies are concerned, which are, presumably, supposed to benefit from this feature of flexibility? Who is to determine who receives the favourable discretion of the minister? Is not overlimit borrowing providing a sort of bail-out mechanism by permitting an increase in debt? In the recent history of the United States permission was given to borrow over the limit in order to assist with a bail-out. However, it did not work.

There are, supposedly, regulations to determine the financial health of a company; however, these are not specified. There is no indication of the regulations. Without wishing to go into detail, I am dumbfounded by their range. We are being asked to pass this open-ended legislation without having a chance to see the regulations. It is possible we shall have the opportunity of learning at least something of the nature of the regulations in committee. In fact, the regulations may well have been drafted and it may be possible to submit them to the committee, as has been done in the past with legislation of this kind.

● (1530)

Here again, we are considering an increase in the lending and borrowing powers of loan and trust companies which are beyond the control of the Bank of Canada. This is strange. The government already finds it difficult to maintain adequate monetary control at this time of inflation, but the bill before us proposes extending the powers of institutions over whose operations it has little or no control as far as monetary policy is concerned. It gives them a free hand. The parliamentary secretary might care to comment on this point, or tell us that the Minister of Finance will have something to say about it. I think it is one which should be considered by the government even though the margin might in the over-all be negligible.

[Mr. Lambert (Edmonton West).]

As I say, I do not want to go into detail now. A number of my hon. friends will have something more to say about this bill which was approved rather quickly in the other place. It will be some time before we reach it in our committee. I hope that later today we will complete this discussion and send the bill to committee. But that is the only undertaking I shall make at this time.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the bill before us is to authorize federal loan and trust companies to increase the monetary limit of their borrowing power. As the hon. member for Edmonton West (Mr. Lambert) said at the outset, it applies only to companies incorporated under federal law. As far as I know, that involves only 17 trust companies with assets of $3.5 billion, and 14 loan companies with assets of $3.25 billion. So we are considering corporations with assets of slightly under $7 billion, according to the latest information I have received.

I wonder why this bill comes before us today, Mr. Speaker. It originated in the other place. I shall ask some serious questions about this measure and attempt to discover the motivation behind bringing it before the House of Commons at this time. Some of the information I have would lead me to believe that these trust and loan companies have been lobbying the government to get the legislation passed because their profit picture has been suffering. They are finding it necessary to pay more for money, and they are locked into mortgage contracts with low interest rates and five-year terms which they cannot escape. As a result, they are caught in a squeeze and their profits are not rising. If borrowing limits are removed, they can obtain more money and lend it at higher interest rates to compensate for the fact that a great deal of capital is tied up at lower rates. The fact that profits have been falling is one of the strongest motivations behind the presentation of this legislation.

The second reason for the bill is that trust and loan companies want to strengthen their place in the mortgage market. They have dominated that market for a number of years. Today, the supply of money is tighter; they want access to more funds; they want the ceiling to be raised so they can continue to dominate the market. This is an approach to which members of my party do not take very kindly. We believe that the federal government, representing the people, should be pumping millions and millions of dollars into the mortgage market at a low interest rate of, say, 6 per cent for people in the low or middle income groups. The money which the loan and trust companies are raising is going into the housing market at rates of 12 or 13 per cent, while interest rates on second mortgages are higher still.

The only motivation for putting this bill before us today is to fatten the profits of the trust and loan companies and to enable their shareholders to reap benefits at the expense of the consumer and the home builder. This bill will help to keep inflation rates high. It will help to drive up interest rates and keep inflation going. If it is passed and the companies expand their operations, they will be obliged to pay higher interest rates to depositors and bond subscribers in order to obtain more capital to lend. Corresponding rates of interest must then be charged on loans if desired profit rates are to be maintained. In other rates,

inflation will be reinforced and prospective Canadian home buyers will find their situation increasingly difficult.

I cannot see any reason at all why I, as a person who tries to represent the consumer, should support this bill. The only people who will gain through its passage are shareholders in the trust and loan companies. The hon. member for Edmonton West has drawn attention to other reasons why the House should view with concern the passage of this measure. We are asked to give a blank cheque to trust and loan companies in order to create more money during a time of inflation. I know the regulations will set out guidelines, but how will those guidelines be interpreted? This will be left to the Minister of Finance. No ceiling will be placed on the amount of new money which will be created. I do not like this sort of situation being created in a highly inflationary situation.

Finally, Mr. Speaker, the bill originated in a very undemocratic, corporate lobby—namely, the Senate. I do not like the idea of bills coming to this House from the other place. The position taken by members of my party is clear. The other chamber is a place to which members are not elected but are appointed until age 75. This goes against the grain.

● (1540)

When this bill was considered by the other place last week, the president of the Trust Companies Association of Canada testified before the Senate committee and spoke of the need for the bill. He pretty well admitted that the prime motivation for the bill was to facilitate the making of greater profits by the trust and loan companies of this country, since so much money was being tied up in mortgages at a lower rate of interest that was prevalent a few years ago. Mr. D. G. Neelands, president of the Trust Companies Association of Canada and president of Canada Permanent Trust, had this to say:

> The trust industry . . . is experiencing some difficulties at the present time in terms of earnings because of the effect that rapidly rising interest rates have on spread. This is a matter which is obviously outside the industry's control and really the only—or major—defensive action or counteraction that the industry can take is to increase its volume.

The purpose of the bill before us is to increase the volume that is available to the trust and loan companies.

Mr. Gillies: More money for mortgage lending is what the country needs.

Mr. Nystrom: My hon. friend from Don Valley (Mr. Gillies) says we need more money for mortgage lending. But, I ask, at what rate of interest?

Mr. Gillies: The only way is to increase supply.

Mr. Nystrom: You will not increase the supply of houses until they are priced lower so people can afford them. You will not solve the problem simply by increasing the amount of mortgage money available at very high rates of interest, because people cannot afford to pay those rates. The President of the Trust Companies Association went on to say:

> If you have a lower spread, but you have a larger volume, you can still maintain a reasonable level of profit. Therefore it is critical for companies to be able to expand their operations, and many of the companies at the present time . . . are having difficulty with the 20 times limit. If we are going to be able to expand, as I believe we should be able to in the future, and to continue to make the major contribution which we, as an industry, have made to housing by making available mortgage funds in the recent times of difficulty in housing in Canada, then it is going to be essential for the companies to be able to expand their position—

Then Senator Hayden said:

> I suppose, then, in another sense, you might put it this way, that the ability to expand would provide you with sources, or should, of money, so that you can get the benefit of the high interest rates that are currently in effect to offset some of the low ones that you are stuck with.

To which Mr. Neelands replied:

> That is true—

I think it is obvious, from testimony like this and from other testimony given to the committee, that the prime motivating factor for this bill is the fact that the trust and loan companies of Canada are currently in trouble. They are asking that we remove the present ceiling so they can obtain and lend more funds, and in turn make a larger profit. I ask, for whose benefit? As far as I am concerned, it is not for the benefit of the home buyer or the consumer of this country. Our party has maintained for a long time that the way to solve the housing problem is not to make more funds available from mortgage companies at very high rates of interest but to put a lot of public money into housing. For too long the ordinary home buyer has been subject to the financial whims of the marketplace. Housing is a basic right of Canadians, not a matter that should be left to the whim of those in this country who control finance.

For that and other reasons, I cannot support the bill before the House. I see no way in which the bill will help the average person whom I try to represent in this House. I see no way in which the bill will facilitate the planning of our economy, the lowering of the inflation rate or anything of that sort. The sole, narrow purpose of the bill is to provide loan and trust companies in this country with access to more capital, so they can lend more money and compete with other financial institutions in making greater profits. I do not think this sort of situation will improve the living standards of ordinary Canadians.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I listened to the Parliamentary Secretary to the Minister of Finance (Mr. Cullen) introduce this bill, and although I do not fault the hon. member for this, I found that the wording he put on the record was very strange. It was wording that could have been used 10 or 20 years ago, or perhaps in some other country today. For obvious reasons, the hon. member, or whoever wrote his remarks, chose to avoid talking about the real problems that are causing the government to introduce this bill.

The fact is that the government has tended, through its spending and monetary programs, to aggravate inflation in this country beyond reason. A consequence of this deliberate action is that trust and loan companies are finding it exceedingly difficult to remain competitive, to render the service that I suggest to the hon. member for the NDP who has just spoken they have been rendering, and at the same time to make a fair return, called a profit.

I believe it is time we were a little more frank with the Canadian public.

Inflation today is a political problem, not an economic one. For the last four years the government has known perfectly well that steps should be taken to curb inflation in this country, yet it has chosen, I suggest egged on by NDP members, deliberately to throw out responsible fiscal and monetary measures of the kind that should have been implemented. As a result, the government has brought in a bill which, if you read between the lines, Mr. Speaker, is designed to correct the problems they know exist in a very substantial industry in Canada, namely, the trust and loan companies.

The figures are really startling. For example, the money supply in this country has doubled in four years. From the first quarter of 1970 to the first quarter of this year—the last available figures that I have—the money supply jumped from $12.5 billion to $25 billion. This is one of the root causes of inflation, and there is no way the government should be allowed to duck that fact. If one looks at the figures, one finds that trust and loan corporations have increased their assets, deposits and guaranteed certificates and debentures, along with most other financial institutions. However, I suggest—and I was very disappointed with the answer given me by the Prime Minister (Mr. Trudeau) in this connection—that it is now time for the government to commission an outgoing study of the Canadian banking and financial system.

In 1961 such a study was aked for, and it led to the Porter commission on banking. I believe they made a worth-while review of the trust and loan field, the life insurance field, consumer banking and the other financial sectors of our economy. But let us put it in perspective. At that time the baking industry in Canada had gross assets of about $20 billion. Today they are over $80 billion—four times the amount. One bank today, the Royal Bank of Canada, is greater in size than the entire banking community at the time of the Porter commission on banking in the early 1960s. Trust companies, likewise, have had phenomenal growth, as have the loan companies in the same period. For example, in 1964 the trust companies had guaranteed funds of $2.6 billion; at the end of 1973 their guaranteed funds amounted to $9.8 billion.

● (1550)

The funds of estates, trusts and agencies handled by the trust companies rose in the same period from $11.2 billion to $29 billion. In total, the assets of trust companies in Canada rose from $14.1 billion in 1964 to $39.7 billion in 1973. The mortgage companies, or loan companies as they were called, had a correspondingly sensational growth, although slightly slower than the growth to which I have referred.

I would point out that a heavy proportion of that growth has been due to the inflationary policies followed by this government. This is the reason we are debating a bill that proposes to raise the limit under which the trust and loan companies may operate with regard to their deposits, guaranteed investment certificates and, in the case of loan companies, debentures. Surely it is time, again, to ask whether our banking system is working properly. Is it proper to have ten chartered banks at the present time, 63 trust companies, and a smaller number of loan companies dealing in somewhat similar activities and yet not all under the same act and not controlled by the same regulatory authorities? This is a question which has been raised many times.

[Mr. Stevens.]

I believe it is important for this House to consider whether it is time our banking institutions and our trust and loan companies were treated in a way that would allow them to be in a truly competitive position. In that way we might find that the type of situation with which we are dealing today would not recur as readily. The truth is—this came out during the Senate committee hearings—that the banks do not have these artificial limits. For example, they do not have to meet a limit of 20 times their capital. Why do the trust and loan companies have to follow such arbitrary limits?

I believe we should be asking ourselves whether previous parliaments were totally wrong when they said that trust and loan companies should be limited to 4, 8, 12½ or 20 times their capital. Were they totally wrong, when today we say we should have a very much looser system which is not open to decision by this House but simply to future drafters of regulations and some discretionary overseeing by the minister? Who is wrong?

I suggest that over the last ten years this government has systematically ignored the rule-book in order to suit its own political purposes as far as economics are concerned. Once you have abandoned sound monetary and fiscal policies it is only natural that you must come in with band-aid legislation such as this to repair the damage done to institutions in our financial system which have been caught in a difficult position. This government likes to take comfort from the fact that other countries are also in a difficult inflationary position. Let us face it: why should the government not take comfort from this fact? If one looks at the predominant government parties in most of the industrialized countries since the end of the Second World War, one sees they have been socialist, liberal, or democratic governments of the left. It is 30 years since the legislatures of our main industrialized nations became dominated by liberal, socialist or democratic governments of the left, to which I have referred.

I think it should be placed on record that in the United States, for example, the Democratic Party has held a majority of seats in both the Senate and the House of Representatives for all but four of the past 40 years. In Great Britain, Labour has had a consistent edge over the Conservatives since 1945, while in Canada only once in the past 39 years has there been a majority Conservative government: that was in 1958. I could go on and give similar statistics in respect of other industrialized countries.

I suggest there has been a consistent move toward irresponsible fiscal and monetary measures in those countries. That is why the Minister of Finance (Mr. Turner) can almost take heart when comparing his record to those of his socialist, liberal and democratic friends who are to the left, in other countries. They all follow a "no rules" system so far as management of their monetary and fiscal affairs is concerned. Let me be more specific. Surely we should be asking ourselves, when we consider this type of legislation, why the majority of the trust companies in this

country are under provincial, rather than federal, jurisdiction. If one looks at the individual trust companies in Canada, one finds that very few are under federal control. Our bigger trust companies are provincially controlled.

Here we have a situation in which a very important sector, as indicated by the billions of dollars in assets which the trust companies control, is not wholly controlled by the government of Canada. That is a further reason for believing a Porter-like commission on banking would be a suitable study, rather than the introduction of legislation such as we are considering today in virtual isolation from the other ingredients of our financial community. In this bill—I hope this matter will come out in committee—I think it is interesting to note that we still refer to things called assets and liabilities and that there are ratios under which, say, 20 times your excess of assets over liabilities is the limit.

What is meant by assets? In an inflationary economy such as the government has triggered, what value is placed on an NHA, 6 per cent mortgage that has 15 or 20 years to run? Is it fair to show that item on your balance-sheet on a cost, or even on an amortized basis, when you know the reality is that if the mortgage had to be sold immediately it would have nothing close to an amortized or cost value? A look at our trust and loan companies will show that they are still reflecting their mortgages on a cost basis—certainly at the Ottawa level.

When this bill is considered in committee, I hope the minister or the officials of his department will explain the current position with regard to trust and loan companies. Do they, in fact, have an excess of capital over liabilities if true value is taken into account? I refer to the liquidation value of their mortgage portfolios and any other assets they have which are subject to today's market fluctuations. I would also point out that if one reads the annual reports of the trust companies, one finds that over the last few years there has been increasingly a comment in the reports to the effect that they hope the government will quickly take steps to end inflation which is causing them distinct problems.

● (1600)

Guaranty Trust's annual report, for example, pointed out very specifically that they felt it was regrettable that so many people were, in effect, apologizing for inflation instead of taking steps to end it. They and the other trust companies involved are well aware of the devastation that inflation is inflicting upon the country.

In conclusion, let me say that we know this bill will go to committee and we can do nothing about it, but I suggest that we in this House can do something about the irresponsible actions of the government with respect to the economy. I believe we should ask ourselves: was it really necessary for government expenditures in the past ten years to soar by 330 per cent, if you exclude defence expenditures? That 330 per cent increase does not include such matters as the sixfold increase in our unemployment insurance benefits. I mention this because the 330 per cent increase this government has brought about in its own spending has contributed to inflation. The increase they have allowed has caused inflation, yet if we review history we find that the situation in which we are living is truly abnormal.

It is totally wrong for the government to indicate that somehow inflation is uncontrollable and that we must live with it. The fact is that you can go back literally 300 years in British history and you will find there never has been a period of inflation comparable to the present one, other than in wartime. Surely we must ask ourselves why, for a period of 110 years prior to the First World War, the industrialized countries of the world had a 3 per cent to 5 per cent interest rate structure, with very little inflation, and today we are told that we must accept a 10 per cent to 12 per cent interest rate structure, with a similar rate of inflation. The fact is that if this government had the courage, we could counteract inflation.

It seems to me that the type of bill with which we are dealing would not be necessary because the trust and loan companies could operate as well under a 20 times ceiling, without this type of escape valve, which would allow them to look after any immediate problems they may have as the result of inflationary pressures. I do not wish to delay the bill, but I hope we will at least undertake in committee a partial review of the situation. Most important, I urge the government, once again, to overview the entire financial system in Canada so that the whole country knows where it is going. I am very fearful of the direction in which the economy appears to be heading.

Mr. John Gilbert (Broadview): The hon. member for Yorkton-Melville (Mr. Nystrom) set forth the reasons members of the NDP oppose Bill S-7, and the hon. member for York-Simcoe (Mr. Stevens) has set forth his doubts as to what is a reasonable amount by which trust companies should increase their credit as expressed in the formula defining excess of capital over liabilities. He asked whether that amount should be 4 times, 10 times or 20 times the present amount. I wonder whether he could have answered that question himself by telling us what limits should be imposed on trust companies, because every month when we get the figures from Statistics Canada we find that the largest component of inflation is usually to be found in housing.

Mr. Stevens: No, government.

Mr. Gilbert: I say that interest rates are the largest component of inflation. It seems to me that the proper course for the government to take would be to impose a limitation on interest rates. There are three types of interest rates: rates for consumer loans, rates for companies, and rates for mortgages. We in the NDP would like to see a limitation on mortgage interest rates. If we support this bill, there is no guarantee whatsoever that there will be a downward trend in mortgage interest rates. In fact, I suspect they will increase because trust and loan companies have appealed to the government to change the limits imposed. I am sure hon. members have seen the big signs put up by some of the trust companies in certain cities across the country telling depositors that they will receive 11 per cent and 12 per cent interest on their money. There is only one result that can obtain from that type of advertising, that is, higher interest rates. The same result will obtain from the changes that the government intends to make. That is why we oppose them.

Last Friday we heard the persuasive member for Don Valley (Mr. Gillies) attempt to convince the Minister of State for Urban Affairs (Mr. Danson) to remove the cyclical cost of housing from that spiral, especially with regard to interest rates. Today he thinks that if we support this bill and it is passed, there will be an increase in mortgage moneys which will bring down interest rates. If that were so, I would gladly support the bill. I would call to the attention of the hon. member for Don Valley the fact that the government used the same argument when they removed the ceiling from the bank interest rate. They said that once they removed that 6 per cent ceiling we would see a tremendous change in interest rates.

Mr. Knowles (Winnipeg North Centre): We certainly did.

Mr. Gilbert: We certainly did; it went up and up. Then we had the 25-year mortgages changed to 5-year terms to appease the mortgage companies, thus giving them the opportunity to change interest rates every five years and imposing upon borrowers the added worry and burden at the end of every five years that they would have to pay larger interest rates. The former member for Trinity suggested changing CMHC rates, and he guaranteed members of the committee that interest rates would go down substantially when the CMHC formula respecting interest rates was removed. Again, we had the similar experience of rates going up and up. Now, the CMHC rate is 11½ per cent, as I noted in today's paper, and conventional mortgages are 12 per cent and 13 per cent.

I would remind hon. members of the example I gave last week of a $35,000 mortgage. If a home buyer wanted to buy a house and assume a $35,000 mortgage at 11 per cent, he would have to pay every month, for principal and interest, the sum of $336.89. Over a period of one year the amount would be $4,042.89, and it would take the 25-year period to pay off the mortgage. At the end of 25-year period, the house purchaser would have paid $100,670, with an 11 per cent mortgage. Now the government brings forth another bill to permit loan and trust companies to increase their borrowing power so they can lend moneys at higher rates of interest. We are certainly opposed to that, Madam Speaker. We in the New Democratic Party feel there is a social responsibility on loan and trust companies and banks to put aside a percentage of their moneys as dictated by the amounts required for housing needs for the year, and we feel the interest rate should be no higher than 6 per cent. This would give the average working person an opportunity to buy a home and pay for it within a reasonable period.

● (1610)

I notice that the hon. member for Don Valley always likes to agree with my proposition that every Canadian is entitled to a home at reasonable cost and a reasonable interest rate, but when it comes to putting that idea into action, he and the Conservative Party fall short in their efforts to bring forth the philosophy which he seems to accept. We are opposed to this bill because of the results which will obtain. There will be higher interest rates for the average Canadian because the federal loan and trust companies will borrow moneys at higher interest rates and pass them on to the borrower who wants to buy a house. We will not be party to this scheme. It would also give the provincial loan and trust companies an opportunity to change their legislation in the same way. It is not a good way to meet the problems of inflation and, more especially, the acute housing shortage of today. Madam Speaker, we are strongly opposed to this legislation.

The Acting Speaker (Mrs. Morin): Is the House ready for the question? The hon. member for Halton-Wentworth (Mr. Kempling).

Mr. Bill Kempling (Halton-Wentworth): Madam Speaker, the question will be put in due course, I am sure, and the bill will go to committee at the appropriate time. Contrary to the opinions of some members of the New Democratic Party, I do not object to the fact that this bill originated in the Senate. I find no fault with that procedure, because the Senate has time to consider measures such as those put forward in the bill. I do object, however, to the lack of information with regard to this bill. I am somewhat annoyed that we have not been given its background.

The Senate had meetings and hearings at which there were witnesses. As the hon. member for Edmonton West (Mr. Lambert) pointed out, we in this House are not given the opportunity to study the evidence presented to the Senate committee. Surely the Minister of Finance (Mr. Turner) could have put together some information for us so we could adequately examine the various facets of the bill.

This bill pertains only to trust and loan companies that are federally chartered, Madam Speaker, so the first thing we have to ask is, what about provincially-chartered companies? Has there been any liaison or discussion with the provinces on this matter? Are they going to bring forward parallel legislation in the near future? The activities of trust and loan companies figure very prominently in the monetary life of this country; they are a very powerful force.

Anyone in the mortgage field knows very well that these companies are in great difficulty today because of lack of funds. This legislation will allow them to increase their borrowings so that they will have the funds to lend. I cannot find fault with their having more funds, because one of the complaints from those who are concerned with housing in this country is that not enough mortgage funds are available. They claim this is creating the high interest rates we are faced with. So we can hope that if more funds become available, interest rates will come down and the housing market will be assisted.

My concern, Madam Speaker, is that we do not seem to know where we are going in the over-all banking field. Let us face the facts of life. Trust and loan companies are competing with the banks for deposits with which to operate their businesses. Across this country we have the chartered banks, 65 or 75 trust companies, a number of loan companies, credit unions, and venture capital firms of all kinds. It is obvious to anyone who has even a nodding acquaintance with the financial world that trust companies and banks are caught up in inflation. It is time, therefore, the minister considered setting up another royal commission on banking. Perhaps the way to start would be

with a preliminary inquiry conducted by the Senate, and then to have a full-blown royal commission.

Madam Speaker, I should like to quote from the 1973 annual report of the Guaranty Trust Company which indicates that company's concern. The report points out that we were faced, in 1972-73, with great legislative uncertainties. That is a polite way of saying they are very concerned about the level of inflation in this country and what is being done about it. The report opens by saying:

> The 1972 report to the shareholders noted that, "with the large increase in money supply that has taken place in 1972 and the possibility of a continued substantial increase in 1973, there is a great danger of sharp increases in inflation and, therefore, interest rates—

● (1620)

The report refers to 1972 inflation rates, which were not nearly as high as they are today. I continue:

> —as 1973 draws to a close and the third successive year of economic growth ends. It is possible that 1974 will see the end of the current cycle of growth and this may coincide with high inflation and high interest rates."
>
> This assessment, while generally correct, did not anticipate the magnitude of the increase in both interest rates and inflation that faced the company this past year and that faces the company in the future.
>
> As senior officers of a company which invests money on behalf of other people, we are concerned by the fact that so many people seem to be taking this rapid increase in inflation for granted. The Economic Council of Canada in its recent annual report said that Canada should merely outperform its neighbouring countries in this respect. So far, the country seems to be able to tolerate without any great social unrest a rate of inflation between 5 per cent and 8 per cent.

Inflation is now running at 12 per cent and may reach 14 per cent. That is intolerable. The report continues:

> We do not know whether inflation can be kept this low. We rather doubt it and we do not know what kind of further social distortions will take place if inflation moves up to rates in excess of 10 per cent annually and middle income savings become subjected to confiscation by this rate of inflation.

The author of this report was a prophet. Today, mortgage funds are almost non-existent at rates which the average Canadian can afford. Now we have a bill before us which seeks to increase the borrowing level of trust and loan companies. That is how the government is trying to deal with the situation. We must go much further and consider the serious questions facing our entire banking structure. I am disturbed when I see advertisements dealing with guaranteed deposit certificates. What do they guarantee? They guarantee only the interest rate. Really, they guarantee the interest, and nothing else. I think that is intolerable.

Trust and loan companies are operating in the banking field. Legislation which controls banks guarantees the security of deposits. In this instance we are debating a bill which deals with guaranteed deposits, yet the guarantee really means nothing. Passage of this bill will increase the work load of the Department of Insurance because, obviously, more personnel will be needed in that department to supervise the operations of trust and loan companies.

It must be obvious, Madam Speaker, that we are fumbling around in speaking to this bill. The reason is simple. We have available absolutely nothing to help us debate this legislation. We are asked to rush this bill through without being able to make an effective contribution to the debate. I hope that when the bill is discussed in committee the minister will make information available. In that way we could pass this bill rapidly, which I believe is what the minister wants. We can only discuss this bill intelligently if we have available adequate information.

This bill will increase the power of trust and loan companies which are not under the direct control of the Bank of Canada but which compete with banks in the field of banking. As I said earlier, the bill will apply to federally-incorporated institutions, and it is assumed that appropriate provincial legislation will follow. Let me ask this question: what steps has the government taken to make sure that legislation like this is applied uniformly across the country? How can we be assured of uniformity of legislation governing trust and loan companies? Certainly, the largest companies in the field are provincially-chartered. We should have before us information showing that the minister and his staff have discussed the matter with the provinces and that parallel legislation will be brought forward by the provinces, thereby bringing uniformity to the operations of trust and loan companies.

This bill will lower the safety margins of companies at a time when their assets are declining and their liabilities increasing directly because of inflation. Previous speakers have dealt with overlimit borrowing and the bail-out mechanism which will permit an increase in debt. In committee we shall consider this subject carefully to see what safeguards are included in the bail-out mechanism.

One feature of the bill which bothers me is that it puts so much power into the hands of the minister. There is no specific overlimit with regard to borrowing; this is left to the discretion of the minister. The minister may increase or reduce the authorized ratio of borrowing. Here, again, we see great power vested in the minister. I think that power should be vested in the House of Commons, which should consider this matter. This sort of thing is happening with many bills which are debated in this House. I suggest that we may be abdicating our responsibilities. We are putting power into the hands of commissions and ministers of the Crown which should rightfully remain vested in the House of Commons. I deplore this, Madam Speaker. Sooner or later we must deal strongly with this situation.

Why am I raising these objections? Consider our mess in transportation as a result of power being vested in the Canadian Transport Commission. The bill which the House considered immediately before this one dealt with amendments to the Combines Investigation Act. The government suggested, through the medium of that bill, that great powers should be vested in the Restrictive Trade Practices Commission. Yet here we are discussing another piece of legislation under which power to increase borrowing limits is left to the discretion of the minister. I ask, to what extent can such discretion become a tool of monetary policy? We must consider this question seriously. The regulations concerning the financial health of the company are not specified, and they are discretionary.

This bill, I know, will be referred to the standing committee at five o'clock.

Mr. Lang: Would you like to pause for a few minutes? Take a deep breath.

Mr. Kempling: I should like to, but we have 30 minutes to go.

Madam Speaker, I am concerned about the lack of adequate information which is necessary if we are properly to consider this bill, instead of sort of floating around and talking in this fashion. I refer to a suggestion put forward by previous speakers. We need to have established a royal commission on banking which will consider the whole field of banking, trust and loan companies, the way credit unions across this country operate, and venture capital operations. I am supposed to be in committee this afternoon where they are discussing Bill C-14, the Federal Business Development Bank Act. It is time we had before this House a mechanism whereby we could set up a royal commission to study the whole matter of banking, near-banks and merchant banks.

● (1630)

In my own private business, I had to go to London, England, to find a merchant bank with which to do business because we could not find adequate facilities in Canada to carry out the type of transaction in which we wished to engage. It is time this type of action was taken by the government. We should take a good look at the total financial structure of the country as far as banks are concerned, and do something meaningful to supply money to the mortgage and general business fields.

In the twenty-ninth parliament we passed legislation setting up a mortgage investment corporation. I am sure the minister has noted that very few of these companies put shares on the stock market because the market is at such a low ebb. They are now endeavouring to improve the situation in the mortgage field with Bill S-7 which will increase the borrowing limits of the various trust and loan companies. In conclusion, I say to the Parliamentary Secretary to the Minister of Finance (Mr. Cullen) that it is a poor show that more information was not provided. We implore him to ensure that adequate information is placed before the committee at the time it considers this matter.

Mr. Bill Jarvis (Perth-Wilmot): Madam Speaker, I had not intended to participate in this debate. However, I have been inspired to do so by at least two factors. The first was well expressed by the hon. member for Halton-Wentworth (Mr. Kempling). I can well imagine the embarrassment of the Parliamentary Secretary to the Minister of Finance (Mr. Cullen), knowing his feelings of understanding and sympathy toward his colleagues who would have liked an opportunity to examine the background material which gave rise to this legislation. Had we even seen some of the material that was available to the Senate committee, this debate would not only have been more meaningful but more helpful to all concerned. I can appreciate the embarrassment of the parliamentary secretary, because he was the spokesman for the government on this occasion, and he knows that hon. members—himself included—had very little opportunity to prepare themselves.

Second—and I hope I do not have to apologize for being parochial—the matter of trust and loan companies is very personal to me and, I think, to many others from western Ontario. We—I include the parliamentary secretary—went through the traumatic experience of the failure some years ago of a very prominent trust company in our part of Canada. It is easy for those of us who have practised law to regard a trust or loan company in a very narrow legal sense. Indeed, it is possible for those who have engaged in real estate, either as a member of the real estate profession or in conjunction with associates, to regard a trust company as merely a source of borrowing mortgage or short-term funds. It is very easy for those of us who have the affluence with which to make substantial deposits to simply regard trust companies as a depository for those funds. However, I say to all hon. members that the ordinary Canadian, if indeed those whom I represent in Perth-Wilmot can be classified as such, regard a trust company as much more than that.

Those of us in western Ontario who invested funds in the company which failed some years ago regarded a trust company as almost akin to the Bank of Canada, not just for their deposit receipts, savings accounts or guaranteed investment certificates, but if one owned a share in a small rural trust company it was regarded as being almost fully guaranteed by the government. Shares in small trust companies, particularly those that were rurally-oriented, passed from generation to generation. I suspect this is true not only of western Ontario but of many parts of Canada.

The trauma and disturbance, not only to the economic community when one of these trust companies fails, is something you have to experience to appreciate. In the city of Stratford, people rushed to the trust company and literally took out suitcases full of money, for fear they would lose their entire savings. Loan share values went overnight to one-twentieth, and indeed one-fiftieth of their previous high values. When talking in terms of trust companies, I hope my colleagues will not regard them simply as financial institutions, because in many cases they are community institutions.

With regard to this legislation, I deplore the fact that it is prompted out of sheer necessity created by the cancer of inflation. No doubt we will have further legislation of a similar kind, because trust and loan companies find themselves in the horribly difficult position of having to pay tremendously high interest rates on even short-term money while at the same time trying to operate in a successful manner.

The hon. member for Broadview (Mr. Gilbert) quoted some very interesting statistics on what it would cost a home owner with a certain mortgage at a certain interest rate. Statistics like that have been given for years and years. They are always intended to create horror. On the first home I bought, the interest rate was 4 ¾ per cent. My wife and I sat down one evening to figure out what it would cost us over the 25-year amortization period. We were just as horrified by the figure 25 years ago as the figure given today might horrify people. But that is not the crux of the situation. The difficulty in which we find ourselves, in October, 1974, is not the horror created by those figures. The difficulty is that six potential home owners who wanted to buy a home in my constituency were turned down by a trust company because they could not qualify for a mortgage. That is the horror, not the arithmetic which the hon. member gave us this afternoon. It is that these six families who wished to invest in their community by owning their own home were turned down by the same trust company. If the members of the New

Democratic Party are going to be horrified, let them be horrified by the fact that their fellow citizens in every community across Canada are not allowed to invest in their communities by investing in homes.

Mr. Gilbert: Even if they qualified, they would not be able to pay for one.

Mr. Jarvis: No statistics have proved to me that foreclosures, powers of sale and revocations are increasing. What is decreasing is home ownership in Canada.

Some hon. Members: Hear, hear!

Mr. Jarvis: I question the sincerity and integrity of the members of the NDP. If they are going to use this abundance of energy to worry about their fellow citizens, they should worry about the fellow who wants to buy a home. I appreciate your indulgence, Madam Speaker, because I know I have gone far afield; but I was prompted to do so by hon. members to my left.

● (1640)

As we all know, this legislation applies only to federally-incorporated institutions. My concern is this: our fellow Canadians do not know whether a trust company is federally incorporated or not. I do not think they care, and I do not think there is any reason they should care whether a comapny is federally incorporated. Their concern is with the solidity and integrity of the institution. I am disappointed the parliamentary secretary did not give us an indication of the likelihood of the provinces adopting identical or similar legislation in this regard. This information is, almost certainly, available to the minister. I presume there has been consultation, or at least some correspondence, on this subject between the minister and his provincial counterparts. I trust the parliamentary secretary will clarify this aspect of the matter before the debate is over.

With regard to ministerial discretion, I would only remind the parliamentary secretary of the days he and I spent in law school studying the effects of ministerial discretion under the Income Tax Act. I think every professor of law has impressed upon students the dangers of ministerial discretion. I make no comment with regard to this particular example, except to say I can hardly believe the parliamentary secretary would accept another encroachment upon our statute books, by way of ministerial discretion, without making any protest.

Mr. Alexander: Yes, he would; he's a Liberal.

Mr. Jarvis: I am sorry, too, that the parliamentary secretary did not give us any assurance as to the capacity of the Department of Insurance to undertake the increased work load this legislation involves. It is my experience that this vital group within the government service has probably been as understaffed as any. This afternoon might have provided an opportunity for the government to tell the House whether this group would be given the staff it needs and the wherewithal to carry out its tasks effectively. I suspect we cannot take much comfort in the protection afforded us by the Department of Insurance with regard to continuous inspection of the institutions which fall within its jurisdiction.

In conclusion, may I say two things: first, I deplore the paucity of material which was made available to us as a basis for making a meaningful contribution to this debate; second, I would hope that in considering this legislation we would look upon loan and trust companies, not as just financial institutions but as valuable institutions within the life of our community.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I, too, welcome the opportunity to take part in this debate on Bill S-7, a complex and technical measure increasing the powers of federally-incorporated trust and loan companies. There are a number of things I should like to say about this bill, but at the outset I should like to compliment my hon. friend from Perth-Wilmot (Mr. Jarvis) who has just put some pertinent questions to the parliamentary secretary about certain features of this legislation. The hon. member succeeds Mr. Monteith, who was for years financial critic for the Conservative Party in Her Majesty's Loyal Opposition. I believe he acquitted himself nobly in analysing a bill of such financial complexity and putting specific questions to the parliamentary secretary. Whether he will receive pertinent and specific answers to those questions is not certain, but in any case I wish to compliment him before I proceed.

The fact is that the bill would give the minister discretion to increase the borrowing limits of loan and trust companies to the extent of approximately 20 times the excess of assets over liabilities. This can be done provided the minister is satisfied the company complies with regulations which he himself has laid down. I can remember an occasion, not too many years ago, on which there was a debate in the House on an amendment to the Excise Tax Act. It was proposed that the then minister of finance be given discretion to decide whether an article which entered this country was of a class or kind similar to that already made in the country.

The opposition at that time, which included some, if only few, of those who are sitting across the way this afternoon, castigated the minister of finance for wishing to assume unusual and dictatorial discretionary powers. Indeed, the Pickersgills and Chevriers of that day said the proposal would give power to the minister of finance never previously conferred upon ministers in times of peace. Yet here we are, giving the Minister of Finance (Mr. Turner) power to decide whether certain loan or trust companies shall be allowed to extend their borrowing limits in the absence of any real checks or balances such as ought, in my view, to be exercised either by the finance committee or by some other body.

We are also asked to consider a new procedure allowing for the issuing of subordinated debentures. This will add a new dimension to an already complicated field. Before examining the merits or demerits of some of these proposals, I should like to say four or five things. First, condensing what some of my hon. friends have said about being caught with some of their digits down, or their balance-sheets exposed, because of the unusual circumstances in which we are debating this bill right now, I would like to take a different tack: I think it is deplorable to call a financial bill for consideration in this chamber when a committee of the House charged with considering

matters of finance is discussing another financial bill in a committee room some doors down the corridor.

Some hon. Members: Hear, hear!

Mr. Nowlan: As we all know, there are many claims upon the time of a member trying to do his duty, as between the House, his office and the committees. At least one of his problems could be resolved if care were taken not to schedule committee meetings at the same time as a similar subject matter is being considered on the floor of the House. For example, I see the Minister of Finance is not here today and I know that his parliamentary secretary, the hon. member for Sarnia-Lambton (Mr. Cullen), is an illustrious member from a riding in Ontario. He was the eminently fair chairman of a very difficult committee during the last session of the previous parliament. I do not detract from his stature one whit, but the fact of the matter is that since the Minister of Finance is not here, his parliamentary secretary is in charge—a practice that I think is deplorable.

● (1650)

The second reason I rise to participate in this debate is that the bill comes from the Senate. One of my colleagues to my left, the hon. member for Winnipeg North Centre (Mr. Knowles), has carried on a personal crusade, suggesting that the other place be substantially altered in a most fundamental form, namely, by terminating that legislative body.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Nowlan: He wants to extinguish, to abolish, the Senate. To some extent I share the hon. member's sentiments. We have talked about reform of the Senate until we are blue in the face. For the life of me, I cannot understand why a Conservative, with only 17 good gentlemen in the Senate, should continue to put up with the charade that we have a chamber of sober second thought. Out of some 102 senators there are only 17 good, true men. The only reason I mention this is that the bill has come from the Senate and I do not have too much opportunity to comment on the Senate. Nevertheless, a good many senators themselves feel that it is time fundamental reform of the Senate was made, and to me the only fundamental reform is abolition of the Senate.

Mr. Guay (St. Boniface): You may hope to get there.

Mr. Nowlan: The hon. member for St. Boniface (Mr. Guay) may find another chamber in which to participate at some stage of life, be it high or be it low; but he will participate well and energetically in any chamber. While I may have some personal views as to the utility and, frankly, the rationality of the Senate as presently composed, notwithstanding some of the so-called reforms of the Prime Minister (Mr. Trudeau), the Senate does do some good from time to time in considering details of bills of a technical nature.

I have said enough about the Senate for the moment. We all seem to think that the world will stop turning if the Senate is abolished, but there is not a province in Canada that did not once have a legislative council. Even during the long years the hon. member for Yorkton-Melville (Mr. Nystrom) has had in this place, the legislative council of Quebec has seen the axe under Premier Lesage, a member of the same party as hon. gentlemen opposite. Those members are not too consistent in some parts of Canada, but they do have certain power in other parts, and I think they should use some of that power to do something sane and sensible regarding the Senate.

Coming to the bill, Mr. Speaker—

Mr. Knowles (Winnipeg North Centre): Why bother?

Mr. Nowlan: —if I thought that this bill would in any way help increase money supply to the young, farmers, small businessmen or tradesmen, then I would be ecstatic about it. But I doubt how it is going to help those people who cannot get funds no matter what their station in life. As my hon. friend from Perth-Wilmot said, we all know inflation is the cancer of our society today, and interest rates are the arteriosclerosis of our economy. As arteriosclerosis chokes off the arteries of humans, so inflation and the exorbitant, almost usurious, interest rates charged Canadians—be they tradesmen, small businessmen, farmers or fishermen—delay plans for production, thus causing lay-offs which even today are increasing. Our economists today debate whether we are in a period of inflation, stagflation or recession. There are as many opinions about this among economists as there are opinions among members of parliament about the efficacy of some of the procedures in this chamber.

I am less than enthusiastic about this bill because, as so often, the government has failed to do some joint planning with the provinces on the question of monetary policy as it relates to trust and loan companies. In this respect we have had only silence. There has also been a vacuum in many other areas of federal policy and leadership, In fact, the economic philosophy of this government can be sized up in two or three phrases, phrases we ran into again today during the question period. Whether it is the grain handlers who are holding study periods, or Air Canada pilots who are threatening to go on strike this weekend, the philosophy is catch up, catch up, catch up. When one group catches up with inflation, every other group starts to fall behind; and when all other groups try to catch up, the whole country starts to go down the drain.

If the parliamentary secretary had a voice, had some sway, among his colleagues, then he might bring some sense to them through his persuasive powers and the tremendous stature that he has in the House. But the fact is that he is only a parliamentary secretary. The Minister of Finance and the Prime Minister are meeting the premiers tomorrow, yet they do not have a comprehensive plan in mind for anything at all. All they have is a fly-duster to take care of housekeeping chores.

I say the sooner we get this bill to committee, where it will be given detailed examination to see whether some of my fears are realized regarding the money supply and high interest rates, the better, Mr. Speaker.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, having looked over the bill and heard some of the debate, I am led to think that if my colleague from Broadview (Mr. Gilbert) and some of his compatriots were to write another

operetta based on this bill, they would have to call it "The Pirates of Finance".

I see it is five o'clock; may I call it five o'clock, Mr. Speaker?

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-11, an act respecting the British Columbia Telephone Company, to which the concurrence of this House is desired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for St. John's West (Mr. Carter)—External Affairs—Extension of jurisdiction over coastal waters—Possibility of unilateral action; the hon. member for Hillsborough—(Mr. Macquarrie)—Storms—Altantic provinces—Request for aid from Prince Edward Island.

[*English*]

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

● (1700)

PRIVATES MEMBERS' PUBLIC BILLS

[*English*]

CANADA PENSION PLAN

MEASURE TO ENABLE HOUSEWIVES TO MAKE CONTRIBUTIONS AND TO COLLECT BENEFITS

Mr. Max Saltsman (Waterloo-Cambridge) moved that Bill C-202, to amend the Canada Pension Plan (housewives' contributions and benefits), be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, the purpose of this bill is to enable housewives to make contributions to and collect benefits from the Canada Pension Plan. Since many housewives spend part of their careers working in industry as well as working at home, they should be permitted to continue their contributions to the Canada Pension Plan while at home to ensure them a full pension at retiring age. The bill

recognizes the equal importance of work performed at home with the work performed in industry and provides housewives with the same pension opportunities. The plan is voluntary and housewives are designated as self-employed contributors paying the contribution of the employee as well as of the employer at the rate of their choice, up to the maximum.

Let us face it: in this country we can be very proud of the old age pension that has been a part of our life now for many years. We merely have to look back to the days when people reached old age and did not have security, to see how far we have come. Nevertheless, a great deal remains to be done. The old age pension is not high enough: it should be increased. The eligibility age should be lowered. People should be able to receive benefits at age 60.

A third point is that the Canada Pension Plan should be made applicable fairly to women and others outside the labour force. It is this third point which is the purpose of my bill. It could be argued that the Canada Pension Plan is not in the same package or is not in the same range as the old age pension; that the Canada Pension Plan is a work-related pension and that women who are not in the labour force, or others who are not in the labour force, should not have a claim on it.

When the plan was introduced, the argument was made that it was an actuarially sound plan. I do not think the Canada Pension Plan can be looked upon in that way. There is little relationship between the contributions and pensions. There is some relationship between the contribution the person makes and the pension he receives, but anyone can see there is a great benefit for people in a certain age group.

Anyone over 50, certainly, receives outstanding benefits from the Canada Pension Plan, when eligible, compared to a younger person. Our younger people are expected to contribute more to the plan than they could receive. They will have to pay a great deal more than they would have to pay for similar benefits in a private plan. There is a cross-subsidization in the Canada Pension Plan which in fact makes it a social plan rather than a straight plan or an actuarially-based plan.

The plan has been in operation since 1966. If a person were retired who had been paying in during these eight years, he would have paid in something under $800—actually, $779.40. He would begin to draw, in this year, $103 a month. This means that in less than eight months that person would have recovered all the contributions he had made to the plan. That is a pretty good deal for a person who retires at this particular time. It is pretty difficult to argue that this is an actuarially-based plan, because it was obvious from the day it was incorporated that people at certain age levels would receive considerable benefits.

Since it is an income support program in many ways, and since it involves a considerable subsidy from one element of society to another, why should housewives be excluded from the plan? What is the justification for saying it is strictly a work-related plan and, therefore, housewives who are supposed to be outside the regular work force have no claim upon it because they are not working in a factory, in the field, in construction or in

some other kind of industrial work? It is just not so. It is obviously a transfer payment.

The other argument is that it makes what I believe is a very serious distinction since it talks about work and refers to work related to industry. It would seem to be suggested that that type of work is fare more valuable in this country than work carried out at home. That is sheer nonsense. All of us recognize that that is not so, and that in fact the contribution of women in respect of raising children and maintaining a household may be far more valuable, in terms of the future of our country, than some obscure job or activity that men or women are now involved in.

There are many inconsistencies to be pointed out. I shall take just a few. Some men work very hard. I think most people in industry work pretty hard. But others have what are called very soft jobs, yet they can contribute and draw a pension because there is no way to evaluate such employment; there is no way of evaluating whether a person is working hard or has a very pleasant or unpleasant occupation. This bill does not, and should not, go into that because it is a very difficult judgment to make.

In some cases, however, we know that people are paid for doing work which is almost like leisure. Some people may put in only a couple of hours a week, yet they are in a position to draw full benefits. On the other hand, all of us are aware of women who on their own may raise a family of one, two or three children, which is a terribly difficult task. Why should such a woman not receive any benefit from the Canada Pension Plan? It seems to me that is a terribly unfair situation.

The Canada Pension Plan is a great improvement over what we had before it. I think most people feel it has worked out quite well. However, there are significant problems in respect of the plan. There are problems of equity and fairness about which I believe we should do something. The things I have said in respect of women apply to low earners and other people outside the labour force. Some men or women may not be in the work force because they are crippled, they may have disabilities which prevent their working, or they may have been ill during the latter part of their lives and therefore have not made contributions to the plan. These people are excluded from the plan. The same principle of unfairness applies in their case as in the case of housewives.

The Minister of National Health and Welfare (Mr. Lalonde), on behalf of the government, has made a number of statements and has introduced legislation. He recognizes that this kind of anomaly exists. He has made a number of proposals to the House. It seems to me that none of those proposals is very satisfactory. They do not take into account some of the questions about fairness which arise in respect of the Canada Pension Plan. The chief proposal seems to be to take the amount of money that would normally go to the husband, and perhaps in some cases the wife, and split it so that each spouse receives an equal amount. That may satisfy a few technical draftsmen, but it will not change the picture very much, because all that will be done is to take from the husband in order to give to the wife; and that cannot be considered a very satisfactory arrangement.

[Mr. Saltsman.]

• (1710)

The truth of the matter is that we really find it difficult to know how to correct these anomalies in the Canada Pension Plan. This leads me to the conclusion that either the government must find a way which will permit housewives and others to make contributions to and receive benefits from the plan on retirement on the same basis as those who are employed, or we may seriously have to consider—and I am certainly prepared to consider it—that the CPP and old age security program be combined into a universal pension at a much higher level. I mentioned that perhaps housewives and others should be subsidized by the government, but even if we have to subsidize some of the others—for instance, if there are poor people in our society who do not have the money to make their own contributions to the CPP—some method should be found to do it on their behalf.

I do not deplore the fact that we broadened the Canada Pension Plan; that may have been the only thing possible at that time. I know that my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), had a number of proposals which were better than the present CPP, but they were not acceptable at that time. There were problems with the provinces in trying to get their agreement on whether we would have a "pay as you go" plan or whether the plan should be funded.

A compromise was reached. Instead of a 20-year funding, we had a 10-year funding, but the "pay as you go" plan did not receive the support of the provincial governments. So it has come to the point where we have to review everything we are doing in the way of providing a pension for our senior citizens. Because if there is one thing that Canadians seem to agree upon, it is that we must look after the people who have spent so much of their lives in building up this country and providing the infrastructure and benefits which we have inherited. The Gallup polls which have been taken show that of all the programs, the one that is most universally admired and accepted, and the one that people are most willing to enlarge, is old age security.

I ask hon. members to consider this and, because of the importance of doing more for those who are retiring, to find a way of letting this private member's bill go to committee so that we can at least examine the serious questions that arise as a result of the present unfairness of the Canada Pension Plan.

Mr. Frank Maine (Wellington): Mr. Speaker, marriage is a partnership. When a couple enters into this holy state, they face a life ahead of them in which many decisions must be made. In some of these decisions they have a choice, but in other decisions they have no choice. To illustrate in which decisions they have no choice, let me refer to the decision of who will decide what the sex of the offspring will be. Another example is who will carry the offspring during the gestation period. At least medical science has not changed that yet.

Mr. Knowles (Winnipeg North Centre): You should bring in a bill to change that.

Mr. Maine: There are other decisions in which they do have a choice. To illustrate this, there is the decision as to

who will earn the income for the family unit. The husband may earn the income, the wife may earn the income, or they can both earn the family income. Another decision which they have the choice to make is who will do the housework. The husband can do it, the wife can do it, both can do it, or neither can do it but instead they can hire help to do it for them. In the latter case they have a real idea of the monetary value of the housework when they pay the wages of the help that does it.

So there is no question that housework has monetary value. The Canada Pension Plan is satisfactory unless that partnership breaks up; then the wife's contribution to the family unit to which her efforts have contributed are not recognized. I believe they should be recognized because there is a real value in these efforts that she has contributed to the family. This is why I support extension of Canada Pension Plan benefits to include housewives.

Some hon. Members: Hear, hear!

Mr. Maine: The question is, then: how can one achieve this? There are many options and many alternate ways of approaching this problem. One of the questions one has to consider is whether these contributions should be voluntary, or compulsory. Another question is whether one pension should be obtained, that is, split between husband and wife, or whether there should be two pensions, one for the husband and a separate one for the wife. There are several other questions but these are the two important ones that come to mind. So far as voluntary contributions to the CPP are concerned, the problem with this is that it tends to reward the rich, as they are the ones who can easily afford to make voluntary contributions, whereas the ones who will most likely need these benefits are the poor people who cannot afford extra premiums under the plan.

In actuarial terms, the Canada Pension Plan is not self-supporting, and this is a strong reason for there being just one pension split between husband and wife, because two pensions would tend to double the amount of payments to be made and, therefore, worsen the financial imbalance and aggravate the problems we are facing in this inflationary period when we are trying to restrict government expenditures.

For this reason, it is important that we opt for the one pension plan split between two partners. It seems to me that when a family unit breaks up—which is a real tragedy—at that stage the court has to decide how the estate should be divided. Up to the present, it is my understanding that CPP benefits are not considered part of the estate, and therefore the wife cannot benefit and her efforts are not recognized. I think we should change this. It is my understanding that presently this matter is being considered by the government and that action will be forthcoming in the not too distant future. For this reason, I oppose Bill C-202 in its present form.

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, before I say anything on the bill I should like to assure members of the House that the hon. member for Wellington (Mr. Maine) is my seatmate, not my house spouse. I congratulate the hon. member for Waterloo-Cambridge (Mr. Saltsman) on his diligence in time and again calling to the attention of the House, inequities which exist in the Canada Pension Plan. He is to be congratulated for bringing to the attention of the minister and the government the unfair situation which exists for the housewife. Also, I should like to congratulate the Minister of National Health and Welfare (Mr. Lalonde) for the great concern he has shown in the ongoing development of the CPP. However, I am persuaded that both hon. members who have spoken in this debate are involved with the technical details of the implementation, and neither has come forward and recognized the ideological and philosophical truths.

● (1720)

In the past, the hon. member for Waterloo-Cambridge has said that if the housewife could make contributions to the plan or remain in the plan, the husband could pay for her if he were in a position to do so. Surely this is what a loving husband would do, without a plan. The hon. member is requesting that we seal forever in legislation the patronizing attitude which women have experienced through the years. He has also said, "If we cannot adapt the Canada Pension Plan to include housewives, then we must find a way of providing benefits and equity in the old age security benefit." Once again, is not each individual entitled to the old age security benefit? There should be no doubt that the house spouse, man or woman, should enjoy the equity of being entitled to Canada Pension Plan benefits. The minister has admitted that certain provisions within the plan accord different treatment to male and female contributors and beneficiaries. He has further recognized that views have been expressed that housewives who remain at home and do not draw salaries as members of the working force should be enabled to participate in the Canada Pension Plan.

The minister has suggested two approaches: first, crediting to the spouse remaining at home a portion of the contribution of the employed spouse, and those contributions made by the employer on the employed spouse's behalf; second, on an optional basis, permitting the spouse at home to contribute as a self-employed worker. Some hon. members who advocate the participation of housewives in the Canada Pension Plan appear to have two goals in mind: first, to give recognition to work in the home as regular employment; second, to guarantee some measure of independence to the housewife.

I must say I am convinced that hon. members then lose themselves in the technicalities of achieving these two goals. For my part, I would like to operate on the premise that all things are possible if we come to the proper conclusion concerning work and the independence of the housewife or housespouse. Let me address myself to these two matters and leave the legislation to far more competent individuals. Mr. Speaker, our recent rounds with inflation, unemployment, unemployment insurance and welfare, have brought much attention to the work ethic. Many statements have been made concerning the necessity for incentive programs and for the recognition of work, in itself, as a good thing. One such statement is as follows:

To be idle is to become a stranger to the seasons.

To be idle is to step out of life's procession that marches in majesty and proud submission toward the infinite.

Life itself is pointless save when there is an urge.

The urge itself is blind save when there is knowledge.

Knowledge is vain save when there is work.

And all work is empty save when there is love.

And when you work with love you bind yourself to yourself and to one another and to God.

Mr. Speaker, you will notice that I have drawn freely on some of the great thoughts of Kahlil Gibran. It is most important to honour the work in the home, as all work in our day and age should truly draw honour. Work with love is to weave the cloth with threads drawn through the heart. It is building a house with affection. It is to sow seeds with tenderness and reap the harvest with joy. Surely hon. members will agree with me that housework is to charge all things you fashion with a breath of your own spirit. The work of the housewife is easily compared to the work of him who seizes the rainbow to lay it on a cloth in the likeness of man. Work is love made visible. This the housewife has done down through the centuries and we should be proud to recognize this along with the dignified work of the labourer, the executive, the soldier and the maestro.

Mr. Speaker, second I wish to address myself to the independence of the house spouse. I will, however, concentrate on the woman as the partner, because up to now she is the one who has been denied her independence. Marriage is that kind of experience which implies you were born together, and together you shall be forever more. But there should be spaces in togetherness. Again I quote:

And let the winds of the heavens dance between you.

Love one another, but make not a bond of love:

Let it rather be a moving sea between the shores of your souls.

Fill each other's cup but drink not from one cup.

Give one another of your bread but eat not from the same loaf.

Sing and dance together and be joyous, but let each one of you be alone.

Even as the strings of a lute are alone though they quiver with the same music.

Give your hearts, but not into each other's keeping.

For only the hand of life can contain your hearts.

And stand together yet not too near together:

For the pillars of the temple stand apart,

And the oak tree and the cypress grow not in each other's shadow.

I think back to the time when I was a young man and had the opportunity of observing a family which comprised 21 children and the father and mother. Certainly the father went to work, but I wonder what the mother with the 21 children did? Should her occupation not be classified as work? I think it is important to recognize that work in the house, that wealth for which mothers down through the ages have been responsible, is indeed dignified work, just as we have come to recognize that work with the shovel, with the pen, with equipment or even by automation is, indeed, an urge to move forward and to serve in life. So we must accept as a principle that work itself is dignified and that the housewife is, indeed, involved in work.

There is still some confusion, however. We are always unclear whether the woman is not still just part of the family unit or whether she can have the option of going into a pension plan on her own without depending on the husband to pay her contributions. I believe that in most cases a loving husband takes care of his wife, so we are giving him the opportunity to do it in a legal fashion. It still leaves it up to the so-called senior partner, the head of the family, to decide if he will give the money.

Surely those persons who have some idea of technicalities can suggest a better settlement than this. Surely one of the main features of the Canada Pension Plan is its compulsory nature. Surely we should not settle in any way for the optional nature in respect of the woman. Surely we should not in any way try to secrete the money to her through the old age pension. Surely we should be proceeding with all haste to recognize the individual independence of woman, and that this woman is secure with this man and they are both entitled to the Canada Pension Plan, which may one day become a guaranteed income.

Mr. Speaker, let us not only in this House pass legislation concerning pensions. Let us make certain that we make an open statement concerning the dignified role of the housewife in our society. Let us make certain that, while recognizing the wonder and value of the family, we recognize the individual rights of its members, the participation and single desires of the husband, the individual rights of each child and the independence of woman to achieve her own destiny.

● (1730)

I am firmly convinced that in presenting legislation that touches on the status of women we must not continue to refer to women in a patronizing way, but as beings who deserve in every way equality with the breadwinner. To presume that men and women should always drink from the same cup, that they will always be united, is to presume that one or the other has lost his individuality. I believe in the perfect union where each should respect the other. Therefore we can refer to the term house-spouse. If, in future, the male decides to stay home and do housework, that term should apply to him. We must not lose sight of what we want to do.

In the past, the woman stayed home while the man went off and did what he had to do. The woman stayed home during wars; she stayed home and cared for 21 children while the man went to war, or the older brother went to war, or the older married son left his new wife and went off to fight. If we consider the task of woman to be work, let us dignify it. Let us pay her the respect we pay those who sent men to the moon; let us respect her in the way we respected those who, in generations of fear and oppression, defended nations. Let us respect her as we respect those who create paintings and music. Let us recognize that woman has prepared the supper with loving care, and performed with love those tasks which are necessary in the home, while others were away doing what they considered more important.

The minister, and the hon. member who presented this bill, have both shown great concern over improvements to be made to the Canada Pension Plan. I respectfully suggest that before we pass a measure of this kind, which is well deserved, we must respect work in the home as work

itself; we must respect the dignity and independence of woman.

Miss Coline Campbell (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, my comments will deal with the comments of the two hon. members who have spoken, and with the voluntary aspect of the legislation in question. It has been suggested that for purposes of contributions the work of the housewife should not be considered as voluntary work but as regular employment.

For too long we have looked at the woman as the person who stays home and does housework and, at the end of the day, greets her husband and performs her wifely duties. It is time we considered providing some measure of financial security for the woman. I am thinking of women who may be deserted by their husbands, who may be separated from their husbands, or who may be divorced and are unable to obtain support from their ex-spouses.

The idea of bringing housewives under the umbrella of the pension plan was mentioned in Edmonton at the health ministers' conference last February. Since then this idea has become one of top priority. The matter is also under study by a subcommittee of the Canada Pension Plan Advisory Committee. Consultations between such bodies and those to do with the status of women have received a great deal of press coverage. We anticipate that reports will be forthcoming in the near future.

May I now talk about the hon. member's bill. As the hon. member knows, before a proposal like this can become law it must obtain the consent of two-thirds of the provinces containing two-thirds of the population. Therefore, the need for full consultation with the provinces before such a proposal can become law is clear. In addition, this subject is currently part of the total social security review being carried out by federal and provincial welfare ministers.

Another important consideration is the desirability of maintaining as much similarity as possible between the Canada Pension Plan and the Quebec Pension Plan. For that reason I suggest that the implications of the present proposal should be discussed fully with representatives of Quebec who are also participating in the social review program.

Let me draw attention to another part of the hon. member's proposal. If a housewife's computed earnings are to be determined at her option, it surely follows that other contributors and non-contributors will demand the same right. Clearly, this implication of the hon. member's proposal would jeopardize the earnings related principle of the plan. For instance, if a housewife were allowed the right to determine earnings, there would be considerable pressure to allow the sole breadwinner the choice of increasing coverage from actual earnings to maximum earnings.

Another proposal concerns housewives being covered on a voluntary basis at the self-employed contribution rate. Presumably, coverage would be optional rather than compulsory, so as to avoid placing a burden on low income families. However, voluntary coverage, as proposed, would permit our more affluent families to contribute under the most advantageous circumstances. In other words, the poor would not benefit and the rich, as they say, would get richer.

I think the bill defines to a certain extent the person who can be considered as a housewife, but does not say if coverage is to be extended to those involved in common law relationships, to house husbands, widows, and so on. Neither does it touch on the coverage of other deserving persons not attached to the labour force, such as students, non-working single women and the long-term unemployed.

● (1740)

The bill speaks of being occupied entirely as a housewife. Is it the intention to exclude any housewife who may earn a few dollars at some part-time activity? Some definition of parameters appears to be required in this bill. In other words you might have a housewife, who goes out and earns a nominal amount, being excluded from contributing as a housewife.

The whole bill seems to discriminate against an area of people who would like to be in the enviable position of being able to contribute to the maximum earnings without any set guidelines. The government, particularly the Department of National Health and Welfare, has been studying this whole area of trying to help the housewife.

The housewife has always been in a position in which she could not defend herself. She has not had access to legal facilities in the past. She has been doomed to the idea of going after welfare agencies for support, or of going after the stray husband. This has incurred an awful lot of difficulty, particularly where the woman could not receive any benefit until a certain period of time had elapsed.

The government has now come around in its thinking and some of the policies put forward in the working document which was presented by the Minister of National Health and Welfare (Mr. Lalonde) to the standing committee on April 4, 1974, produced mandatory alternatives. These alternatives included the contribution on earnings. This would allow a housewife to contribute in her own right and build up her own pension entitlement. However, it would be necessary to set a wage on what housewife duties are worth in terms of the family unit from which she comes. This approach would certainly give recognition to work in the home as regular employment. However, some standard would have to be obtained to make it non-voluntary in terms of any amount being contributed versus a set standard if this plan were to be used.

The other alternative is the splitting of pension credits, an approach set out by the Royal Commission on the Status of Women. As the royal commission put it, this would involve crediting to the spouse remaining in the home a portion of the contributions of the employed spouse and of those contributions made by the employer on behalf of the employed spouse. This seems to be a fair way in terms of splitting the income of the earning spouse across the board in the event of a separation. In other words an agency could immediately go against the spouse and determine the amount the wife might have contributed at a designated point in time.

To explain it more clearly, the spouse would probably be entitled to a percentage of the earning spouses contribu-

tions at the time of the split. This means that if the husband decides to go, some agency will be able to go against his contributions and convert that to the benefit of the housewife.

The hon. member for Waterloo-Cambridge (Mr. Saltsman) is to be complimented on bringing forward this bill. However, the voluntary aspect is a handicap. It allows putting something into a pension plan on the part of a housewife that discriminates against her sex and others in the working world who would like to contribute on maximum earnings rather than the graded step.

To summarize, the government's position has already been stated. The government is studying the whole idea of pensions in relation to housewives. This became a priority at a meeting in Edmonton of the ministers of all provinces and the federal minister. It is being studied closely by the respective provinces as well as the federal government. Hopefully at some point in the future some type of legislation will be brought forward as a result of these studies.

As a result of that conference this whole issue was referred to the Status of Women Advisory Council as well as the Canada Pension Plan Advisory Council. They are studying the most advisable way of implementing a pension. Reports are anticipated, and implementation of the plan should be forthcoming.

I again thank the hon. member for his bill. However, I must oppose it on behalf of the government on the basis of the voluntariness of the plan. In one sense it is a very limited version of voluntariness. Also, the definition of housewife does not make it clear who would be included in this scheme. Someone could be excluded by working on a part-time basis. Even though she may not contribute to the Canada Pension Plan, she could be excluded under this bill. The voluntariness of the plan seems to discriminate against a lower income person whose husband cannot afford to give the benefit to the housewife to put into the plan. On the other side of the coin, there are those whose husbands earn sufficient to contribute to the maximum amount.

I am not trying to say that I am against the implementation of a pension for housewives. It is the position of the government that the work women do in the home will be recognized as regular employment and that they should be provided with protection against need. However, as I have said, the government is against this bill particularly on two points, the definition of "housewife" and of "volunteering" as put forward by the hon. member.

● (1750)

Mr. Stanley Knowles (Winnipeg North Centre): The fact that this debate is taking place today underlines how fast history moves. If any government were trying to bring in a bill today which left out of account, as the Canada Pension Plan does, the position of women in general, and particularly the position of housewives, it would have a rough ride. Yet only nine and one half years ago we debated and passed in this chamber the Canada Pension Plan with these deficiencies. A lot has changed in the last nine and a half years, and I pay tribute to those who have pressed the case of the rights of women to an equal place in our society.

[Miss Campbell (South Western Nova).]

I am glad this bill has been introduced. It is easy for the Parliamentary Secretary to the Minister of National Health and Welfare (Miss Campbell) to call attention to the difficulties, but the issue will not go away and I do not think it would hurt the government to consent to the bill, or at least its subject matter, going to the Standing Committee on Health, Welfare and Social Affairs so that we could consider this whole question. It does seem to me that, in many respects, the position of women in relation to pensions has to be reviewed and updated.

As I say every time I get to my feet, I think it is for the birds that pension plans generally provide 100 per cent benefits to a man and provide for them to be continued at 100 per cent if he loses his wife and carries on, but provide only 50 per cent to the widow if the husband dies first. Likewise under the Canada Pension Plan there is a built in discrimination against the spouse, whether male or female. There is certainly a built in discrimination against housewives and I think this ought to be corrected.

This is private members' hour and one of the ten commandments for opposition members is never to be guilty of talking a bill out during private members' hour. So I will have to sit down soon. However, I do wish to express my congratulations to my hon. friend from Waterloo-Cambridge who has brought this issue forward today. I am not surprised that it is likely to be talked out, but I welcome the support from the hon. member for Hamilton Mountain (Mr. MacFarlane), and from the parliamentary secretary for the idea that we should be coping with this problem. I just hope we cope with it soon.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, it is a pleasure during the remaining few minutes of this debate to make a brief comment on the proposal put forward by the hon. member for Waterloo-Cambridge (Mr. Saltsman). I listened to his presentation and wish to be on record as being in agreement with most of what he had to say. It seemed to me, though, that the viewpoint he was putting forward was not broad enough—that amendments to the act should take into account other matters which are of equal importance.

I should like to express a special interest with regart to the position of women who are part of the management team on farms. These women have made a great contribution to the agriculture industry. For a while the trend in agriculture was toward large, integrated farms. Some may be surprised to learn that more of these farms went bankrupt on a percentage basis than any other type. It seems to be that the future of agriculture must be based on family management units, and when one thinks about family management units it is evident that a great deal of the input comes from farm wives.

I am talking now about viable farm units, units which are eminently successful, and to the operation of which the farm wife makes a major contribution as purchasing agent, registrar of pedigrees, and so on. If these groups are dissolved for any reason, the woman is at a great disadvantage; unless legal arrangements have been carefully made in advance she is likely to be left with little security and no recognition of the major contribution she has made. The same might be said of wives who help in the operation of small businesses.

We are not opposed to the position taken by the sponsor of this bill but, in our view, his proposals do not extend far enough. I should like to be recorded as saying that any person should have the right to contribute to a voluntary pension plan, whether a housewife, an injured workman, or a person who has had to withdraw from the work force for any reason. Finally, I wish to congratulate the hon. member for bringing his private member's bill before the House so that we might have an opportunity to discuss it.

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, I, too, would like to say a few words on Bill C-202. I agree with it wholeheartedly. I also agree with my hon. friend who has just spoken that it does not go far enough. All women should be included. There are some women who cannot afford premiums such as those on welfare, etc.—

[*Translation*]

Mr. Deputy Speaker: Order, please. I regret having to interrupt the hon. member, but the hour appointed for the consideration of private members' business has expired.

It being six o'clock, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

TRUST COMPANIES ACT

MEASURE TO INCREASE BORROWING POWER OF COMPANIES AND AUTHORIZE ISSUANCE OF SUBORDINATED NOTES

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill S-7, to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinate notes, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Rodriguez: Madam Speaker, before five o'clock this afternoon I was saying that if Gilbert and Sullivan were to write an operetta on this Senate bill it would probably be entitled "The Pirates of Finance". The first thing that struck me about it was that it seemed very à propos that this bill should originate in the other place. The Tory member for Annapolis Valley (Mr. Nowlan) referred to the bill as a very technical bill. That may be because it was conceived and drafted by Senators who certainly know what is best for Canada's 31 federally incorporated trust and loan companies, whose total assets of $7 billion bespeak their poverty.

When this bill is shorn of its technicalities we find that it is a gross attempt to increase the profitability of these 31 trust and loan companies. It must galling to these poverty stricken financial institutions to see today's juicy interest rates, which could certainly swell most of their funds, and to know that they are committed to lower interest rates of 9 to 10 per cent.

Let me quote a few of the comments made by Mr. D. G. Neelands, president of the Trust Companies Association of Canada and of Canada Permanent Trust. Before I do so, it has always struck me that the names these companies choose to identify themselves are rather strange. For example, they use words like "Trust", "Acceptance", "Beneficial", "Household", "Associates", "Permanent" and "Guaranty", all words that bespeak the solidity of the community. This is what Mr. Neelands had to say before the Senate Banking, Trade and Commerce Committee:

> The trust industry . . . is experiencing some difficulties at the present time in terms of earnings.

One of the venerable Senators, Senator Hayden, put it more bluntly when he said:

> I suppose, then, in another sense, you might put it this way, that the ability to expand would provide you with sources of money, so that you can get the benefit of the high interest rates that are currently in effect to offset some of the low ones that you are stuck with.

And of course, Mr. Neelands replied:

> That is true . . .

Having made clear how he viewed the bill, Mr. Neelands goes on to suggest that if this bill wins Canadian acceptance there might be some permanent, beneficial guarantee that citizens would be able to purchase their households from the trust companies and their associates. This, of course, is to ignore the major problem in housing in Canada, which is the cost of mortgage money.

The fact of the matter is that the great majority of middle and low income Canadians cannot afford the usurious mortgage interest rates of these big-hearted companies. My party's policy is that housing is a social right for every Canadian who wants to own a home. Our people should not have to depend on these companies to provide mortgage funds, because it has been proven time and again that they do not recognize the social priorities of the Canadian community.

I note that the latest quarterly and half yearly figures of most trust companies show profit levels that are tending downwards. What a pity! It is an observation that ought not to be lost on the Canadian consumer that this government is very quick to step in when profits tend downwards. But when profits tend upwards, as in the case of the food processors and retailers, the government takes the hands off position that the marketplace ought to determine its own rate of rip-off. Heavens, cannot we have some consistency from the government? Indeed, the only thing consistent about the government is its inconsistency.

Mr. Nystrom: That is free enterprise, John.

Mr. Rodriguez: I suppose they call it free enterprise but there is nothing free and nothing enterprising about it, at least not for the working class people of the country. It is only free and enterprising for the Neelandses and, I suppose, the Senator Haydens of this world who always seem to find a place in the other place.

I do not want to prolong this debate, so I suggest that the best thing to do with this bill is to defeat it right here in this House.

The Acting Speaker (Mrs. Morin): The hon. member for Moncton.

Mr. Leonard C. Jones (Moncton): Madam Speaker—

Mr. Rodriguez: En français!

[*Translation*]

An hon. Member: In French.

Mr. Jones: I do not speak French, what about you? I do not speak French.

[*English*]

Madam Speaker, there appears to be something odd and perhaps sinister about the manner and conduct of the debate on this bill. Quite frankly, it has been difficult for even the most astute technical financier to study and scrutinize any portion of the enormous verbosity and complexity of this bill. Its ramifications are tremendous and I sincerely fear that haste, in both perusal of the bill and a full and proper presentation of it, will sooner or later be regretted by those who have introduced it into this House.

There is a maxim in journalism and law which says: "When in doubt, leave it out". Possibly those who drafted this blooming legislation realized that it was not really blooming, and that they were following this maxim of when in doubt, leave it out. Perhaps we should do the same thing and throw the bill out this evening, because so much, Madam Speaker, is left hanging in mid-air. We are given no clues, and possibly those who drafted the bill had very few clues too.

So much of what should have been in the bill has been left out that the bill is made ineffective and meaningless. It is a terrible commentary on drafting. This legislation is a poor commentary on our parliamentary system. Those who presented Bill S-7, entitled "an act to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes," must have thought differently. They must have thought that the members of this House were very naive, to say the least.

● (2010)

First of all the title is misleading; it is deceiving; it is a misnomer. The explanatory notes and information given us by those presenting the bill are negligible. They are nil. It seems rather ridiculous for us to discuss any such legislation without having complete disclosure. In business circles one hears the expression "let us have disclosure". There is no disclosure in respect of this legislation.

The next item which concerns me, which must concern all other members, and which will disturb certainly decent thinking members of this House and the public when they hear of legislation of this kind, is the ministerial discretion that is given to some member of the cabinet. I thought that went out with Magna Carta when King John was taken to Runnymede. Certainly this bill will result in arbitrary, bureaucratic dictatorship for the minister, the trust companies and the loan companies.

[Mr. Rodriguez.]

This bill is a perfect example of the uselessness of the Senate and the duplication of cost to our country. It will lead to inflation. It is unreal. It will lead us into a worse economic situation than we have today. It is inflationary. Interest rates certainly are high enough, but if a bill of this kind should be enacted they will go even higher. I said earlier that the bill is a misnomer. Obviously this bill has been thrown together without any realization of its results and effects. My prediction is that it will create inflationary trends never seen before in Canada.

If this House should pass this bill, or even refer it to committee, that would be an absolute waste of time. There are other more important things which might be considered. There are many items in this bill that will lead citizens and shareholders alike to be misled in respect of subordinated notes. This is nothing more than a cheap way for loan and trust companies to obtain money from the citizens of this country without exercising a real responsibility toward them. There is no real protection provided for holders of these notes.

Again I urge that this bill not be sent to the committee but be voted out right now. It is a monstrosity.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Madam Speaker, as the hon. members for Nickel Belt and Moncton (Messrs. Rodriguez and Jones) have just explained, Bill S-7 is rather confusing. First of all, it was brought before this House after being passed by the Senate without our having had a chance to read it. We are being asked to pass a bill, and I quote:

—to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power—

—in order that they might loan and reloan at exorbitant interest rates, as we have quite often noticed in the field of finance.

To my mind, confusion reigns supreme in this country where financial and monetary matters are concerned: one day, plans are made to set up a federal development bank; the next, for another financial organization to confuse or annoy the people. Bill S-7 is yet another one, the purpose of which is to allow the trust and loan companies to borrow, and specially to increase their borrowing power.

To my mind, we are going around in circles; we are not improving the situation; on the contrary, there is more misunderstanding than ever about our present financial system.

Madam Speaker, we, of the Social Credit Party of Canada, have advocated for a long time a financial formula which some would call simplistic. I would rather have that than confusion such as is proposed by Bill S-7. I can understand that some hon. members oppose it, for instance, the hon. member for Moncton. He was not too clear about it when he said: We must oppose this bill. Why? No one knows. Still, the hon. members of the NDP applauded despite the fact that they did not know what it was all about.

However, the House studies the secondary aspects of the real problem, the secondary aspects of what must be changed in our economic system. And it is not by increasing the borrowing power of a loan company that we shall improve the situation. There are easier ways to do so.

As concerns Bill S-7, it is obvious that we oppose it and that we shall ask that it be put to a vote. The government has the majority, and this is the trouble with a majority government in Canada, Parliament is forced to accept its ideas while members of parliament should have all opportunities required to defeat the government on important matters, on monetary and economic matters, because all this is related to the Canadian economic system.

Madam Speaker, the Social Crediters have other solutions to suggest. Instead of increasing the borrowing power of federal trust and loan companies, we should use the services of the Bank of Canada, which belongs to Canada and to Canadian citizens, and harness the physical possibilities of our country. It is up to the government to pass regulations and to order the Bank of Canada to act in the interests of the Canadian people, and not in order to increase the borrowing power of federal trust companies or loan companies.

Instead of laughing at the duties and obligations of the Bank of Canada, all hon. members should force it to maintain an efficient instead of a restrictive economy, a logical instead of a shaky economy like the one we have presently. If we examined seriously the problem instead of creating new financial institutions and trust companies with increased powers, if we increased the powers of the Bank of Canada in order to serve the Canadian people, it seems to me it would be the end of the economic, political and social games we are witnessing at this time.

As everybody knows, there is a feeling of discomfort in all areas of economic activity. Let us correct the cause of this discomfort. I am sure it is possible to guarantee the Canadian people, without the help of any other country, economic security and personal freedom, and to ensure that Canadian production will first serve Canadians contributing to it.

● (2020)

[*English*]

The Acting Speaker (Mrs. Morin): I must remind hon. members that when the parliamentary secretary speaks he will close the debate.

Some hon. Members: Question.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Madam Speaker, I too am anxious to get to the question. However, the hon. member for Edmonton West (Mr. Lambert) and others have raised some issues which I think need comment.

Frankly, I wondered if the hon. member for Moncton (Mr. Jones) had read the bill. He seemed to indicate that subordinate notes will be issued and companies will be going out and taking money from every Tom, Dick and Harry. I should like to draw his attention to a clause of the bill which provides that subordinate notes shall be issued only on the application of the head office of companies, and shall have denominations of $25,000 or more. So it is not similar to promissory notes, it is a fairly significant sum, and I suggest, with respect, that any company that is in a position to lend that kind of money is pretty sophisticated.

The hon. member for Annapolis Valley (Mr. Nowlan) said that this was a complicated bill. I am not surprised he thought that because he did not deal with the bill but rather with many other issues.

Some hon. Members: Oh, oh!

Mr. Cullen: The purpose of this bill is to increase the monetary limit of the borrowing power. Some hon. members indicated that they did not have enough information on this. I suggest that this is almost housekeeping legislation insofar as increasing the borrowing power is concerned, and that four safeguards are proposed which will be discussed at the committee stage.

I suggest to some individuals who do not feel they have all the information they want, that we spend hundreds of thousands of dollars each year so the opposition parties can have the necessary research facilities and research assistance. Obviously the New Democratic Party made use of this, and that is the way to use the research money.

Some hon. Members: Hear, hear!

Mr. Cullen: Now, why is this bill being presented at this time? Frankly, it is because of the strength of the economy—

Some hon. Members: Oh, oh!

Mr. Cullen: —that most of these companies have reached the level of borrowing—

Some hon. Members: Oh, oh!

Mr. Cullen: I thought hon. members wanted some of the responses that I am endeavouring to give. I listened patiently without heckling.

Some hon. Members: Hear, hear!

Mr. Cullen: I can understand the selective reading by the NDP. After all, they have a particular position to maintain. It happens to be wrong, but still, selective reading of witnesses' comments made before committees is not unusual, and I accept it as part of the political cut and thrust in debate. The bill simply proposes an increase in the monetary limit of the borrowing power and the issuance of subordinated notes. There is nothing very complicated about the bill except where hon. members insist on injecting into its narrow confines the matter of interest rates and things of that nature.

One of the questions asked was whether there is consultation between the provincial companies and the director of insurance operating in this field. Definitely there is consultation, and quite often a lead is taken from the federal legislation and adopted by the province. I suspect that the reverse is also true. There is provision in the act for administering some of these provincial companies by the director of insurance, so there is excellent liaison in that way.

I sometimes wonder to which member of the official opposition I should listen. One member spoke of the lack of control by the Minister of Finance (Mr. Turner) who, so to speak, did not keep his hand on the tiller insofar as dealing with these companies is concerned. Others from

the same party decried the supervision and the discretionary powers given to the minister.

I listened with interest to the hon. member for Yorkton-Melville (Mr. Nystrom) speaking about the little people he represents. I suggest to him that the little people in his riding and in mine are using these particular facilities in order to finance their houses.

Some hon. Members: Hear, hear!

An hon. Member: Yes, at 13 per cent.

Mr. Cullen: There was one other comment by the hon. member for York-Simcoe (Mr. Stevens) who said this was a band aid approach. No one suggests that this is the be all and end all. This bill endeavours to do things which are very clear, and which are innocuous insofar as the over-all picture is concerned. However, they are very necessary if this segment of the economy is to operate.

I agree with the hon. member for Edmonton West and I think that the point he made is an excellent one. I frankly apologize for the fact that we did not have all of the material from the Senate committee because, notwithstanding what some members of the NDP think, there is a wealth of information and assistance available there.

An hon. Member: It is a waste of money.

Mr. Cullen: However, with other bills from the Senate we will have that information.

Insofar as conflict with the Finance Committee is concerned, I might say that this comment would have been warranted if the House had not spent so much time on Bill C-2 last night and got that bill into committee. It was our hope that this Bill S-7 could have been dealt with last night, would have received second reading and been referred to the committee. I am sorry about that, but it was not of the government's making.

Some hon. Members: Hear, hear!

The Acting Speaker (Mrs. Morin): Is the House ready for the question? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Call in the members.

The House divided on the motion (Mr. Turner (Ottawa-Carleton)), which was agreed to on the following division:

[Mr. Cullen.]

● (2030)

(Division No. 4)

YEAS

Messrs.

Abbott
Alexander
Anderson
Andras (Port Arthur)
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Grenville-Carleton)
Basford
Beatty
Béchard
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cadieu
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Carter
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
De Bané
Demers
Dick
Dinsdale
Dionne (Northumberland-Miramichi)
Douglas (Bruce)
Drury
Dupont
Dupras
Ellis
Elzinga
Epp
Ethier
Fairweather
Faulkner
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Guay (St. Boniface)
Guilbault
Halliday
Hamilton (Qu'Appelle Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Herbert
Holmes
Hopkins
Hurlburt
Isabelle
Jamieson
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert (Edmonton West)
Lang
Langlois
Laniel
Lapointe
Lawrence
Leblanc (Laurier)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacGuigan
MacLean
Macquarrie
Maine
Malone
Marceau
Marchand (Kamloops-Cariboo)
Marshall
Martin
Masniuk
Mazankowski
McCleave
McIsaac
McKenzie
McKinley
McKinnon
Milne
Mitges
Morin (Mrs.)
Munro (Hamilton East)
Murta
Neil
Nicholson (Miss)
Nowlan
Oberle
O'Connell
O'Sullivan
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Philbrook
Portelance
Railton
Raines
Reid
Reynolds
Richardson
Ritchie
Roberts
Robinson
Rooney
Roy (Laval)
Scott
Sharp
Smith (Churchill)
Smith (Saint-Jean)
Stanfield
Stevens
Towers
Trudel
Turner (London East)
Wenman
Whelan
Whiteway
Wise
Woolliams
Yanakis
Young—166

NAYS

Messrs.

Beaudoin
Benjamin
Blackburn
Brewin
Broadbent
Caouette (Villeneuve)
Caouette (Témiscamingue)
Dionne (Kamouraska)
Fortin
Gilbert
Hogan
Knowles (Winnipeg North Centre)
Laprise
Leggatt
Nystrom
Orlikow
Peters
Rodriguez
Saltsman—19

● (2100)

Mr. Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Finance, Trade and Economic Affairs.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: I understand there have been some consultations and that the Minister of Indian Affairs and Northern Development has the consent of the House to revert to motions.

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS

REPRESENTATIONS BY NORTHERN QUEBEC INUIT ASSOCIATION TO STANDING COMMITTEE

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Thank you, Mr. Speaker. I believe there is agreement to make this reference to committee without debate. I therefore move:

That the Standing Committee on Indian Affairs and Northern Development be authorized to hear representations from the Northern Quebec Innuit Association.

Mr. Speaker: The House has heard the terms of the motion. I understand there has been discussion along the lines indicated by the minister.

Motion agreed to.

GOVERNMENT ORDERS

TWO-PRICE WHEAT ACT

MEASURE TO PROVIDE FOR PAYMENTS FOR WHEAT PRODUCED AND SOLD IN CANADA FOR HUMAN CONSUMPTION

Hon. Otto E. Lang (Minister of Justice): moved that Bill C-19, to provide for payments in respect of wheat produced and sold in Canada for human consumption in Canada, be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, this fairly straightforward bill is yet a somewhat significant one. I take pleasure in introducing it and recommending that it be sent to the Standing Committee on Agriculture where it can be examined further before proceeding into law.

This is a bill whose specific purpose is to enshrine for a period of years, in this case for seven years, a procedure whereby the treasury supplements payments made for wheat designed for human consumption in Canada. The government acted in order to place a portion of the cost of milling wheat essentially on the shoulders of the treasury, thereby minimizing the impact of increases in the price of wheat which were occurring, and ensuring that the price of bread, a product essential to the diets of families, particularly those with lower incomes, would be lower than would otherwise be the case.

The bill allows for the transfer from the treasury of up to $1.75 per bushel, with respect to wheat consumed in Canada, to the producers of the wheat—to the Wheat Board in the designated region, to boards designated in other regions to act on behalf of producers, or to producers themselves in other areas. The amount transferred is the amount they would otherwise normally have obtained from the millers.

● (2110)

Initially, the bill in the form in which it was introduced in the previous session would have performed this function for the full period of the arrangement which was entered into in September of 1973, in order to assure the transfer of the appropriate amount of money to the producers for the first part of the period. Before the passage of the bill an item in the estimates dealt with the first series of such payments, but the intention of the bill is to provide these payments for a long period of time.

I think it is significant that this payment in support of the price of bread is to be put into law for a prolonged period of time. It is in its present form without any doubt and, I should think without any argument, in the nature of a consumer subsidy, an amount paid by the treasury, on behalf of the people of Canada as taxpayers, to lighten the burden on the consumer of the cost of wheat products in Canada. It is in this way a significant milestone in technique, one which should be applauded by members on all sides of the House.

The bill also has a relationship to other factors in connection with wheat prices. The very title of the bill, two-price wheat, has had a fairly long history of debate in the producing areas of Canada, particularly in the prairie region where so much of our wheat is grown. There, when two-price wheat began to be talked about, it was in terms of the obligation and necessity of Canadian consumers paying a fair price for their wheat in Canada in order that producers receive a somewhat better return, even when the world price for wheat was lower than a figure that was reasonable in those days. The introduction of such a plan of higher prices for wheat was brought about in Canada initially, therefore, as a transfer from consumer to producers above that which the international market would bring them.

The first action in this regard was taken by this government in 1969, when the interruption in the arrangement made under the International Wheat Agreement meant that the world price began to fall below the floor that had been agreed upon. When that happened the government acted to hold the price in Canada at the figure of $1.95½, as it then was, which was the equivalent of the floor in the

international agreement. This price persisted, and was held throughout a period of very difficult years when the world price fluctuated but generally fell to levels in the order of $1.70 a bushel. Throughout that period two-price wheat was a benefit transferred from the consumer to the producer, but one which was fully legitimate, in my view and in the view of the government, due to the costs of production. Indeed, if it had been within our power we would have had such a price throughout the world market area rather than just in Canada alone.

Then in response to the suggestion that this was still inadequate, that further protection should be given the producer in connection with wheat consumed in Canada, and that further compensation could and should be given him, in 1972 we introduced a two-price wheat payment to farmers in addition to the $1.95½ that was being obtained by him from the market, a figure that was above the international price.

At that time, with the price still hovering in the area of $1.70 and with the price to millers at $1.95½, we determined, in response to further requests from producer organizations, that a two-price wheat program should be brought in which, in effect, valued wheat consumed in Canada at $3 a bushel. Even at that time we showed our concern about the problem of imposing that additional cost on the actual consumers of bread, recognizing that so many of them were in the least suited position to pay, and that some of them would indeed require a helping hand rather than be given a further burden.

Accordingly in introducing the two-price wheat program we introduced it in the form of a payment from the treasury, rather than an increased charge from the millers. At that point we were in a situation where we effectively had a fixed price for wheat in Canada regardless of the world price. The $1.95½ would come from the millers and another $1.04½ would bring the amount up to $3; but we were effectively valuing wheat in Canada used for human consumption at a fixed price of $3 regardless of where the international price might be then.

With the changes in pricing patterns which occurred in 1973 and 1974, as international prices rose to the $3 level and then, indeed, passed that level, it became apparent that a review of the $3 price of wheat used for domestic consumption was appropriate. I suppose one could have taken the position that that having been the price which was set while the world price was as low as $1.70, it should have been maintained in a period after that while the world price rose above that price. However, we recognized that the producers had been in a difficult position, and that they were still in a difficult position in terms of their costs and their returns, and we accordingly felt that a different pricing structure was appropriate.

At that time, with prices approaching what were then record levels, levels which are still to this day pretty well close to a record, we decided that we should look at the proposition that as between the Canadian Wheat Board on the one hand, and other producers of wheat in Canada, and the consumers of Canada as represented by the buyers, millers and other users, we should enter into an arrangement whereby there would be a range of prices for grain, for wheat used for human consumption, a range which reflected more adequately than anything before that the cost of production to producers.

Thus we decided that for seven years we would have a price of wheat in Canada for millers which would not be allowed to fall below $3.25, twenty-five cents higher than the previous fixed price, and correspondingly would not be permitted to rise above the level of $5. We recognized that with that arrangement there would possibly be transfers from producers to consumers compared with the world market when the price of wheat was above that $5 figure. On the other hand there would be potential transfers from the consumer to the producer in a period when the price of wheat was below $3.25.

It seemed to us that it was an appropriate time to enter into such an arrangement. From the producers' point of view it was a time when it was reasonable to look at long-term pricing in a way that would have been far less advantageous earlier. When prices are low it is very hard to persuade buyers to enter into agreements which include price ranges that are very high. At the time we entered into this arrangement we had prices that had just hit a record level, a level which, as I have pointed out, is today still a record. For only very brief periods has the price of wheat crossed the level which we had at the time this arrangement was entered into, Mr. Speaker.

What we were doing was saying that this kind of arrangement is one that we would like to enter into with some of our regular customers, a long-term arrangement whereby a reasonable range of prices for grain was fixed, a range that recognized cost of production of this grain on the part of the producer. Having set the range at $3.25 to $5 for a seven year period, we continued the philosophy that had gone into the original payment from the treasury for two-price wheat, namely, that the portion above $3.25 should be borne by the treasury rather than be reflected in an increase in the price of bread.

• (2120)

At that time as we made our move we were able, in effect, to stop the price of bread moving on the basis of increases in the price of wheat. The price of wheat was just moving through the floor level in terms of the millers' business when we entered into this arrangement. We therefore decided to put forward the proposition that while wheat, in terms of bread wheat other than Durum, was above $3.25, the portion higher than that up to $5 should be paid for from the treasury.

In the case of Durum, while the arrangement was just a little different, the basic principle was the same with a payment up to $1.75 from the treasury, although there the actual price in play went higher and this was also reflected in the amount allowed to be obtained from the millers. In our view the price for Durum was unnaturally separated from the price for other wheats, and there is a common long-term floor of $3.25 which was adopted for both.

This then is a measure which will see the transfer to producers from the treasury, for the period of the full seven years originally intended of amounts of money which will save the consumer significant amounts in the cost of his bread.

Figures can perhaps be a little misleading in talking about the price of bread because this depends upon mark-

ups and the arrangements that different people in the producing and marketing chain have, but I think one can safely say that this particular measure, with world prices at or above the $5 level, is saving in the cost of flour for bread in the order of five cents or six cents a standard loaf. To that extent it continues to be perhaps a small but significant element in our effort to cushion the problem of the cost rise for those who have to bear the load.

I, therefore, commend this measure to hon. members and invite them to pass it to the committee where we can look at it more specifically. Then we can see the bill become a part of the law of the land. As I said at the beginning, I believe it is a simple and straightforward measure.

I think this is a significant measure in the way of enshrining into our law a consumer subsidy for a significant period of time. I commend the measure to all hon. members and urge its passage on second reading for later study in the Standing Committee on Agriculture.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, at the outset may I say that we on this side of the House agree with the principle of a two-price system. We regret, however, the fact that this bill lacks an effective measure to take into consideration the increased costs of production. Therefore we would recommend to the minister the implementation of such a provision to reflect the rising costs of production over the seven-year period.

The absence of such a mechanism is tantamount to a seven-year freeze for the Canadian wheat farmer in the range between $3.25 and $5 a bushel, depending upon world markets, in the case of wheat, and $5.75 to $7.50 in the case of Durum. So, it seems to me that at this point in time, during this period of very rampant increases in the costs of production, and during a period of very rampant inflation, more effective measures should be instituted in the pricing structure to take into consideration the increases in production costs. I do not believe that the range referred to by the minister truly reflects or takes into consideration such increases in the costs of production because that range would be utilized depending only upon the price in world markets.

The minister has suggested that this measure constitutes a subsidy to the consumer at the expense of the public treasury. The minister may have referred to this and I may have missed it, but I would suggest that it also constitutes a subsidy at the expense of the producer, because we know that at this time the export price for milling wheat hovers in the $6 range while producers are receiving $5 per bushel for wheat earmarked for domestic human consumption.

It seems to me we really are asking too much of the wheat producer in respect of this bill. We are asking him to accept the vagaries of the international market place. This is something which, in the absence of any long-term international wheat agreement, the producers must bear the brunt of Mr. Speaker. Now we are asking the wheat producers to absorb the inflationary effects of a government which has no anti-inflation policy to speak of and I do not believe it is right to ask producers to accept the increase in farm input costs over which this government has exercised absolutely no control, and in respect of which it has shown no leadership.

The increase in input costs, has been averaging about 20 per cent on an annual basis. The producers have had to bear the brunt of this while the government played the role of Santa Claus with the unions. It is certainly a lot to expect the wheat producers to accept this as well as the uncertainty which surrounds the transportation system and the threat of the loss of the Crowsnest Pass freight rates. They are also being asked to absorb the huge demurrage costs which have accumulated. It seems to me that to ask them to do all these things is really asking too much from the wheat producers of Canada.

If we are dealing with a legislative measure which is supposed to give some protection and some stability to the wheat producers of the country, certainly now is the opportune time to build into the legislative mechanism some protective features which would offset the spiralling costs which face the western wheat producers.

We know, for example, that the two-price system which has been in effect for some time now has already cost the producers something in the order of $15 million. That represents the difference in the amount the producers could have received had the wheat been sold on the export market rather than being used for domestic consumption. As I said before, in the international market the export price for milling wheat is in the $6 per bushel range, while wheat which will be earmarked for domestic human consumption will be frozen at a maximum of $5 a bushel.

Canadians consume for human consumption something in the order of 60 million bushels of wheat per year. The difference of $1 per bushel between the export price and the domestic human consumption price will mean that, over the period of the next 12 months, the producers in western Canada in effect will be losing something in the order of $60 million. So, having regard to the fact that wheat producers are indeed giving up very much under this bill, it seems to me it would not be asking too much that the minister and the government build in an effective indexing system which would reflect the increases in the costs of production on a year basis.

● (2130)

I am not sure whether the minister feels that prices on the international market will maintain their high level or will go down. Nevertheless, it seems to me that if we do not bring forward some measure in this area, the producers in this country, having regard to the fact that prices on the international market may go down, could find that a bushel of wheat will be back to $3.25. It seems to me also—and I want to remind the minister again—that it is because of the absence of an effective cost of production control that we opposed quite vigorously the stabilization bill. I am sure that if the minister again introduces a grain stabilization bill in the House it would be in his best interest to propose some sort of mechanism to deal with the increases in the costs of production.

The United States, in its stabilization agricultural programs, has incorporated an indexing provision related to the costs of production, to ensure the wellbeing of farmers. This is also another reason why we should be going in that direction. Indexing has become a fact of life in Canada with this government, just as inflation is a fact of life. However, the government continues to say that it cannot

do much about inflation because it is an international phenomenon. But really what we are doing here is, in effect, fighting inflation on the backs of the farmers by not providing an effective mechanism which would cushion the effects of inflation upon them.

I must say again, as I said at the outset of my remarks, that the price of wheat for domestic human consumption is in effect being frozen. It is rather interesting that we have two vital commodities in western Canada being frozen, namely, wheat and oil—both products of the west—and yet the minister, whose interest in western Canada is known, and in spite of the fact that the government is not prone to accept the concept of price freezes, allows the price of both these important commodities produced by western Canada to be frozen for the benefit of the consumers in the whole of Canada.

It is also very disturbing to me to note that the minister suggests that he will examine the Crowsnest freight rates which for years have been the Magna Carta to western grain producers. In this respect we get conflicting comments from the Minister of Transport (Mr. Marchand) and the minister responsible for the Wheat Board (Mr. Lang). I hope that the minister will outline the form that the review of these rates will take, and that he will outline the policy upon which the government has embarked with regard to grain handling and transportation.

I also hope that very soon the promise of an equalized freight rate structure—a promise which was made to western agricultural ministers a year or so ago—according to which we would get better freight rates on the movement of beef from western to central Canada, will be kept. We certainly hope that the government will act more quickly than it has in the last twelve months with regard to the removal of the various freight rate anomalies and inequities which have existed in the country for the last 18 months, and which have been the subject of debate in the House.

I think that this bill could be improved if the minister would accept the amendments which I have outlined. If that were done, I think the bill would be a very good bill for western Canadian wheat producers as it would give some stability to the domestic grain trade. As it stands in its present form I do not believe this legislation gives the western wheat producer a fair deal.

There is something else that I would like to say in connection with wheat. It seems to me that the initial price is far too low in terms of current prices on the international market, as well as in terms of the domestic market. I urge the minister to undertake an adjustment immediately.

I just had a call from a producer in Vermilion who told me that he was getting $1.80 per bushel for wheat which he was selling to an elevator through the Canadian Wheat Board. He could sell the wheat as feed for $2.80, although it is not feed wheat. Many producers are uncertain as to what route they should take, and they are looking for guidance.

Surely, with the prices in the $5 to $6 range, it seems to me only reasonable to request that an upward adjustment be made quickly because now is the time when producers need money to pay their farm expenses, to settle their debts, and to prepare for a long, but I hope, not cold winter.

I should like to conclude by saying that I hope the minister will seriously consider the comments that I have made, and will decide to help the western wheat producers at a time when it is urgent to do so, because I fear that the wheat that has been harvested this year is of a much lower grade than usual and, as a result, will bring in lower prices which will have a detrimental effect on the gross and net incomes of the producers.

Many grain producers and small livestock producers find themselves in a difficult situation. An adjustment of the initial price, as well as some assurance of a stable wheat market, at least on the domestic scene, would certainly provide the kind of climate that is conducive to a strong and healthy agriculture.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, Bill C-19 before us this evening is almost identical to Bill C-33 which died in the last parliament. The only difference between them is the date at which they come into force. Bill C-33, with which we would have dealt in the last parliament, would have come into force several months earlier, but last Friday parliament voted, in supplementary estimates, the money for the previous several months, with which we will not deal so far as this bill is concerned.

The bill before us today basically does two or three things. It establishes the floor price for the next seven years for wheat and Durum. The floor price is a guarantee of what the farmers, no matter what happens to the international price of wheat, will receive for wheat that is sold domestically. I think it is a step that all members of the House support in principle, and it is one that our party has advocated for many years. Before I entered politics I remember hearing a spokesman for our party call for a two-price system and price guarantees. Members of the cabinet at that time dismissed it as socialistic nonsense, something that was completely impractical. One of the chief detractors was, as the hon. member for Regina-Lake Centre (Mr. Benjamin) says, a Saskatchewan Senator. Now this Utopian nonsense is becoming law. Perhaps the pressures of the last parliament forced the government to wake up to the needs of the western farmer.

● (2140)

The subsidy provided in the bill is $1.75. That means that if the price for international grain is $3.25, with the subsidy the farmer will receive $5 a bushel. If the guaranteed price for Durum wheat is $5.75, with the subsidy of $1.75 he will receive $7.50 a bushel.

It should be stressed that it is not only the consumer who is paying for this type of legislation. As has already been made clear by the hon. member for Vegreville (Mr. Mazankowski), the farmer is taking a loss because of the present two-price system. From some figures I saw last Saturday I noticed that wheat is selling for $6.04 on the international market. That is about a dollar above the price the farmer is getting for domestic grain sold for human consumption. It means that the government is making a sacrifice in order to keep the price of bread

down. This is basically a good step, but it should be made permanent.

The whole philosophy of price guarantees and price supports should be applied to all farm products. The principle is sound. If there were price guarantees farmers would be able to plan in the spring for what they would receive in the fall. The farmer gambles on the weather, on world conditions, on the international market; why he should have to gamble with government programs is beyond me.

I should like to see an amendment moved in committee to provide for the indexing of the price to the farmer for wheat consumed domestically. Maybe we should index the floor price, or the government subsidy, or the ceiling price. If not, the farmer could find the price of grain frozen for seven years while his costs of production skyrocket. Perhaps there could be indexing in the manner that has been developed for taxation, old age pensions, family allowances and such things. The basis of the index could be the increase in the costs of production. The alternative would be a clause in the bill to provide for review by the House of Commons each year. If an upward adjustment were necessary, then this House would make it.

Another point is that we should provide for policing of the bill. One of its purposes is to provide a consumer subsidy so that an increase in the price of wheat will not necessarily mean an increase in the price of bread. When there are subsidies or taxcuts on items like clothing or children's footwear the saving is not always passed on by the wholesalers or retailers, but is sometimes regarded by them as extra profits or dividends for their shareholders. This legislation should be policed to make sure that that does not happen with this subsidy. It is not intended for the companies, for Weston's or any other miller.

This legislation was first announced in September, 1973, and in September, the millers announced that the price of a loaf would be increased by four cents. After pressure from this House and the Food Prices Review Board, the increase was rolled back to two cents. Despite the fact that the price of wheat had not gone up, in August, 1974, the millers announced that the price of a loaf would go up by three cents in the middle of September. So, since this legislation was introduced the price of bread has gone up by five cents a loaf despite the fact that the price of wheat has not increased. We are aware that there are many other inputs in the price of a loaf, but I wonder whether the five-cent increase reflects the legitimate costs to the bakers.

If we pass this legislation it seems to me that the Food Prices Review Board or some such body should police it to make sure that someone is not pocketing the subsidy at the expense of the Canadian taxpayer.

Those are some of the concerns I have about the bill, Madam Speaker. We support it in principle, but we should keep in mind that it is only a small step, toward providing the farmers of western Canada and the other wheat producers with income security. We must have a stabilization plan to cover all products and to take into account the increased costs of production. Unless we have that, farmers will not be able to continue in business.

We just have to look around the world to see how people are starving. This should be one of the first considerations of the food conference in Rome in November.

There should be price guarantees, floor prices, price supports on all farm products whether consumed domestically by human beings, or exported. If we do this we will not only help the Canadian farmer but will be playing our part in the world as a great food producing nation.

We must also consider the very low initial payment when we talk about wheat. Wheat is now selling in the world market for about $6 a bushel, yet farmers in my area are getting only $2 per bushel initial payment because the Wheat Board is holding back $4. That is like saying to any worker that a half or two thirds of his income will be held until the end of the year, and then paid to him without interest. How would members of parliament react if 50 per cent of their salary were held back for nine or ten months and then paid without interest? Yet that is the way we are treating our farmers, and it must be changed. I hope the minister will have an announcement on it shortly.

Another thing that concerns me is that the initial price of feed grains is being held down and, as a result, many farmers are going to the open market where they get a higher price for grain delivered on the spot. It seems to me that there is a sly hand in this. I am suspicious of why the minister is not raising the initial price of feed grains, and wonder if he is trying to drive farmers to the open market so that he can then say that they do not use the Wheat Board. The government wants to sell feed grain on the open market. Obviously it does not want the Wheat Board, and thinks that perhaps we should get rid of it. How can the government's approach to orderly marketing be in the best interests of the farmers of this country? How can low initial payments—

Mr. McIsaac: On a point of order, Mr. Speaker, although I am interested in the remarks of the hon. member for Yorkton-Melville (Mr. Nystrom) who is speaking on feed grain policy, let me remind him that the bill before us deals with the implementation of a two-price system for wheat. Surely he can take all the latitude he wants in talking about the two-price system for wheat without talking about a totally different matter.

● (2150)

Mr. Deputy Speaker: Order, please. I am sure the hon. member will revert to the subject matter of the bill. I think he has nearly concluded his remarks.

Mr. Nystrom: Mr. Speaker, the parliamentary secretary has completely misunderstood my remarks. Perhaps I should start at the beginning. I am talking about the bill before us, and suggesting that the government should not introduce legislation like this in isolation. We need other bills of this kind. This is but one step in the right direction. We need more legislation which will guarantee prices for farmers so that we can protect them from the peaks and valleys of the open market. My remarks apply as much to feed grains, or wheat sold internationally, as to wheat sold domestically for human consumption in this country.

I am talking about the broad situation concerning farmers. We should not look at this in the narrow sense; let us

look at the entire picture, something the Liberal government has not done in the last number of years. It has tended to respond in an ad hoc way to issues which have arisen. In the previous minority parliament it responded this way to pressures put on it, and it is still responding this way. The Liberal party is good at straddling both sides of the fence. You could get a lot of slivers that way. I am saying that this is good legislation, that it should not be an isolated instance, and that it should be followed by other legislation which will help our farmers to stay on the land. If they stay, and if their prices are guaranteed, they will produce food.

The world needs desperately the food Canadian farmers can produce. The days of the LIFT program and the old stabilization plan are over. They will not come back. The first two or three years after the minister in charge of the Wheat Board assumed his current responsibilities were among the darkest Canadian grain farmers have ever experienced.

Mr. Cliff McIsaac (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, I am pleased to have the opportunity to speak in support of this bill which will implement a two-price system for wheat, something that has been promised for years, and talked about by members of all parties in this House.

I was really pleased to hear the hon. member for Yorkton-Melville (Mr. Nystrom) say he will support the bill. He took a lot of time reviewing other issues which have nothing to do with the bill, but after talking a long time he decided, as the NDP has done both in this House and in provincial forums across the country, to support it.

I was disappointed in the remarks of the hon. member for Vegreville (Mr. Mazankowski). His party at one time had the chance to implement this kind of policy, but did not take it. It has finally been introduced by the minister who sits in front of me, the hon. member for Saskatoon-Humboldt (Mr. Lang).

The hon. member for Vegreville was being irresponsible in criticizing the bill because it did not deal with some minor issues. He raised some interesting points, however. For instance, if in two or three years the $5 figure does not seem to meet the need, it can be changed. The point is that we are adopting a principle, one I am happy to support and one which has the support of many provinces.

We are dealing with the establishment of a two-price system. This bill will establish that two-price system and the minister should be proud of it. I think practically every member of the House supports it. Hon. members ought to consider some points made by the hon. member for Vegreville. Perhaps we should do for feed grains what we are doing for wheat. Perhaps that way we could provide part of the answer for the difficulties besetting the livestock industry. Perhaps this principle ought to be applied to that industry.

Mr. Gordon Towers (Red Deer): Mr. Speaker, is the hon. member for Battleford-Kindersley (Mr. McIsaac) prepared to tell wheat producers in his constituency that $60 million is a small issue? That is what we are talking about. He criticized the remarks of the hon. member for Vegreville (Mr. Mazankowski), but I cannot accept $60 million as a small issue. The fact is that when the government offered to support the grain industry to the tune of $50 million a few years ago, it felt it was providing the western grain producers with a great benefit.

Let me point out that approximately 60 million bushels of western grain are used for the domestic industry and approximately seven million or eight million bushels of wheat are purchased from wheat growers in Ontario.

For the information of hon. members, the world price of grain today is $6.20 per bushel, which means that the western Canadian producer is subsidizing the industry to the tune of $1.20 per bushel. That is not chicken feed and must be looked at seriously. We will not be able to live with this in the future. That is why we, on this side of the House, are prepared to move an amendment in committee. Hopefully the minister will accept it and other minor changes which are acceptable to the farmers he represents. May I call it ten o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—EXTENSION OF JURISDICTION OVER COASTAL WATERS—POSSIBILITY OF UNILATERAL ACTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question to the Prime Minister (Mr. Trudeau) and to the Secretary of State for External Affairs (Mr. MacEachen) of October 3 was prompted by statements that were made by two ministers, the Minister of Regional Economic Expansion (Mr. Jamieson) and the then minister of fisheries, Hon. Jack Davis, during the July 8 election campaign. The statements in question concerned the Law of the Sea Conference and the action allegedly proposed by the government if our country's position with respect to jurisdiction over our off-shore resources was not accepted by the member nations represented at the conference.

Both ministers are reported to have said categorically that the government was prepared to act on its own and declare unilaterally its jurisdiction over the continental shelves off our coasts. The Minister of Regional Economic Expansion made the statement in Corner Brook, Newfoundland, on June 24, at a political rally at which the Prime Minister was present. The former minister of fisheries, Mr. Davis, made a similar comment in a statement which was prepared by him in Vancouver and released in Halifax on June 15, to coincide with the closing meeting being held there of the International Commission for the Northwest Atlantic Fisheries, ICNAF.

● (2200)

In reply to my question of October 3 the Prime Minister (Mr. Trudeau) questioned the accuracy of the press reports to which I referred. At the same time he stated

quite emphatically that unilateral action would not be taken by his government to protect our fishing industry and our fishermen against the plundering of foreign nationals.

The conservation and management of our rapidly dwindling fish stock is a matter of grave concern to our fishermen. It should not have become the subject of such blatant political dishonesty on the part of this government and in particular the two responsible ministers.

Our fishermen have been used as pawns and the butt of political chicanery almost since the industry began. They have been victimized, exploited, and almost dehumanized for centuries by unscrupulous fish merchants, and have been used in every way possible by likewise unscrupulous politicians. Is it any wonder they have lost confidence in the industry and view with suspicion the actions of their political leaders?

If the government is unwilling to honour the commitment that was made by two of its members during the election campaign, the very least we should expect is that the Prime Minister or the Minister of State (Fisheries) (Mr. LeBlanc) tell the fishermen of this country precisely what their intentions are with regard to the management and control of our marine resources.

The minister or his parliamentary secretary will no doubt tell us this evening that they are placing all their bets on the outcome of the next Law of the Sea Conference. The minister's predecessor, Mr. Davis, told us the same thing five years ago.

We want to know, and even more important our fishermen want to know, what action the government will take if we have no more success at the next Law of the Sea Conference than we had at the one held in Caracas earlier this year. Is the government prepared to abandon its powder puff, nice guy approach and tell the other nations of the world that, with or without their concurrence, we intend to take control of our continental shelf and the resources that lie thereon, or is it going to sacrifice the fishing industry and our fishermen for the sake of diplomatic niceties and being thought of as nice guys?

Mr. Herb Breau (Parliamentary Secretary to the Secretary of State for External Affairs): Mr. Speaker, the hon. member knows that what he said in closing is not correct. We will not let the fishing industry down.

The question has been raised whether Canada should now proceed unilaterally and extend its fishing jurisdiction to the edge of the continental shelf. As the House is aware, Mr. Speaker, the world community is presently engaged in bringing the Law of the Sea in line with the political and economic realities of our times.

A first session of the Law of the Sea Conference was held last summer in Caracas. Given the large number of participating countries, over 135, and the many complex issues to be resolved, it was not possible to elaborate, in all its details, a treaty dealing with all the aspects of the subject.

However, during the Caracas session real progress was achieved. It became apparent that a future Law of the Sea Treaty could only be agreed upon if coastal states were recognized as having effective rights with respect to both living and mineral resources, as well as for the protection of the marine environment. These rights will be exercised by the individual coastal state in an "economic zone", which is generally conceived as extending to 200 miles from the coast. However, the question of whether such rights would go beyond the 200-mile limit and reach the edge of the shelf did not receive the same degree of support as was given the economic zone concept. Canada is, however, hopeful that some arrangement can be worked out in this sense.

In these circumstances would it be timely for Canada to extend its fishing jurisdiction unilaterally? I would submit, Mr. Speaker, that, as a responsible member of the international community, Canada should aim at a widely accepted Law of the Sea and, as a consequence, should give the United Nations Law of the Sea Conference a chance to succeed. We are confident that it will. This does not mean that the government is not conscious of the need to prevent over-exploitation of the living resources off our coasts, even before the conference ends. Indeed, through action as a member of international bodies such as ICNAF, as well as through bilateral consultations, the government is constantly trying to control this situation.

The best way for Canada to acquire sufficient powers to remedy this problem is through international agreement. In present circumstances unilateral action would only create confusion and controversy. I would also add that control of the living resources over the continental margin would fall short of providing adequate protection for salmon. That particular issue also calls for international acquiescence in the rights of the state of origin.

In brief, Mr. Speaker, unilateral action, though not called for at the moment, could very well be considered as a matter of policy if the Law of the Sea Conference fails, within a reasonable period of time, to reach a satisfactory solution as regards the interests of coastal states in their offshore living resources. This coincides with the view taken by the Prime Minister (Mr. Trudeau) in this House on October 3, as well as with the statements made by other ministers before that.

STORMS—ATLANTIC PROVINCES—REQUEST FOR AID FROM PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, it is well known that I participate frequently in what is called the "Late Night Show". Some people ask why, and the answer is that I am a great lover of crowds and there is nothing like a large and enthusiastic audience to turn me on.

A few days ago I asked a question about the measures being taken to assist the people of Prince Edward Island who suffered severe crop damage, besides loss of electricity and telephone services, as a result of a severe storm in what is well know as the garden province. The Parliamentary Secretary to the Minister of Finance (Mr. Cullen) seemed to be well briefed on the issues and I congratulate him on the lucidity, fulsomeness and directness of his reply. He might well serve as a model to other parliamentary secretaries, and indeed to those lofty incumbents of the treasury benches.

A great many islanders were seriously inconvenienced for a period of a week and, in some cases, for a little longer. Shortages of utilities, water, light and fuel made life difficult for the people and for their farm animals. There was a threat to our valuable potato crop and to such grain as was not harvested. I now hear less disturbing reports than were coming my way when I first asked the question. Yet to many people this was not an inconvenience of a minor nature. For a week it was impossible to telephone to my residence in Prince Edward Island, as I discovered daily. Many homes were unheated for days. The utility companies moved as best they could to get things back to normal.

My main concern has to do with the alacrity of the movement of aid toward provinces and regions affected by seriously adverse weather conditions. From time to time in this House I have heard members bring forward appeals arising from emergency situations in their home areas, inquiring about federal aid and being advised that no official request had yet come from the province concerned. In many cases speed is of the essence, and I would urge greater co-ordination so that there might be a diminution of the waiting period.

In July of this year a freak storm damaged crops in my constituency. Appeals for compensation were made, discussed and processed, but it was a long time before the victims of the storm were able to receive funds, or even to receive assurances as to the measure of aid which would come to them. In these days it is not easy to wait. Time is money, and during a period of inflation money is shrinking.

It is ironic I should be talking about two grim assaults from nature on Prince Edward Island—strange, because this summer was one of the most beautiful and balmy in the island's history, as many thousands of tourists can testify. I appeal for a method whereby the whole procedure for making aid available in such cases can be improved and expedited.

● (2210)

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, I thank the hon. member for his kind comments. One of the things which make this country great is the fact that although there is a problem in Prince Edward Island the heart of the rest of the country goes out to the people there in the disaster they face.

Federal policy on disaster assistance has, since 1970, taken the form of reimbursing provincial governments on the basis of a per capita formula for the expenditures made by the provinces in dealing with a disaster. It seems to indicate that kind of thrust the hon. member seeks, and I am sure all hon. members seek, in dealing with disasters or problems in their immediate areas. But the initiative must be taken by the province to determine the size of the disaster and the kind of assistance that is required, and then it must make an application to the federal government.

There is, however, as the hon. member knows, a formula set up for the sharing of the cost, and the formula is equal to the amount of $1 multiplied by the population of the province. When the sum exceeds that amount there is an ever increasing formula of contribution at the federal level.

Generally speaking, eligible expenditures are those made by a province for the restoration of essential property of private individuals, small businesses and farmsteads, and public works, to their pre-disaster condition. These guidelines limit cost sharing for agricultural losses to payments made to restore farmlands to workable condition where a farm operation has been seriously affected by flood erosion or land gouging.

Payments made for the restoration of farm buildings and equipment would also be eligible, since they would represent payments made for restoring the essential private property of the farmers concerned. The basic federal measure for assisting farmers who suffer losses on account of damage to farm products is the Crop Insurance Act. This act is given effect by means of the federal-provincial crop insurance agreements which have been contracted between the federal government and the various provinces.

I think it is fair to say that Prince Edward Island has sought advice on what provincial expenditures, related to the earlier storm of July 3, would be eligible for cost sharing. If a similar request is received from Prince Edward Island regarding expenditures related to the recent storm, it will receive prompt and sympathetic consideration. But the initial thrust, as the means of expediting assistance, has to come from the province, which has to determine the size of the disaster and the amount of funds it is seeking.

Motion agreed to and the House adjourned at 10.15 p.m.

HOUSE OF COMMONS

Wednesday, October 30, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

Second report of Standing Committee on Health, Welfare and Social Affairs, in both official languages—Mr. Gaston Isabelle.

[*Editor's Note: Text of foregoing report appears in today's Votes and Proceedings.*]

* * *

[*English*]

CULTURAL PROPERTY EXPORT AND IMPORT ACT

MEASURE RESPECTING EXPORT OF CULTURAL PROPERTY AND IMPORT OF CULTURAL PROPERTY ILLEGALLY EXPORTED FROM FOREIGN STATES

Hon. James Hugh Faulkner (Secretary of State) moved for leave to introduce Bill C-33, respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

COST TO TAXPAYER FOR ELECTION JULY 8, 1974

Question No. 44—Mr. Coates:

1. What was the cost to the taxpayer for the federal election of July 8, 1974?

2. Of that total amount, how much was required for (a) the operations of the Chief Electoral Officer (b) the production of the various forms, including ballots, used in the election (c) the payment of returning officers and their staffs (d) the hiring of enumerators and other similar type officials (e) advance poll and election day staff?

3. Of the total number of candidates involved in the July 8 federal election, how many lost their deposits (a) by political party (b) by province?

Hon. Mitchell Sharp (President of the Privy Council): The answer in so far as the Office of the Chief Electoral Officer is concerned is: 1. The firm figure will not be available for several weeks but is estimated to be of the order of $29,000,000.

2. Pending a compilation of a firm figure respecting Part 1 of the question, no meaningful estimate can be made respecting this Part of the question.

3. (a) Liberal 25; Progressive Conservative 86; N.D.P. 211; Social Credit 135; Communist Party 69; Marxist-Leninist Party 107; Independent 59; No affiliation 31. (b) Ontario 222; Quebec 258; Nova Scotia 22; New Brunswick 22; Newfoundland 11; Prince Edward Island 5; Manitoba 38; British Columbia 54; Saskatchewan 22; Alberta 68; Yukon Territory 1 and Northwest Territories 0.

COST OF SUPPLIES FOR GROSSE ÎLE QUARANTINE STATION

Question No. 74—Mr. Lambert (Bellechasse):

Is the government buying food and loose straw for the Grosse Île quarantine station in the Province of Quebec and, if so (a) are these purchases made through tenders (b) was the lowest submission accepted (c) how much hay, grain, feed and loose straw was bought for each year 1968, 1969, 1970, 1971, 1972, 1973 (d) what was the total cost each year (e) what were the names of the suppliers each year?

Hon. E. F. Whelan (Minister of Agriculture): Hay, grain and straw is purchased by the Department of the Grosse Île, Quebec quarantine station. (a) and (b) Yes.

	(c) Tons			(d)	(e)
	Hay	Grains	Straw	Total Cost $	Suppliers
1968	425	250	160	33,024	Paul Godbout, Quebec, P.Q.
1969	450	210	160	30,290	J. Fortin & Fils, Quebec P.Q.
1970	450	245	155	39,954	P. Dumaine, St. Hughes, P.Q.
1971	420	270	155	44,096	W. Harder, Woodstock, N.B.
1972	400	270	160	52,669	P. Dumaine, St. Hughes, P.Q.
1973	350	220	155	47,413	P. Dumaine, St. Hughes, P.Q.

Questions on the Order Paper

GRANTS TO THE SOCIAL SCIENCES RESEARCH COUNCIL

Question No. 97—**Mr. Allard:**

Does the government subsidize the Canadian Council on Social Sciences Research and, if so (a) for how many years (b) through what department (c) what amounts were granted in 1971, 1972 and 1973 (d) did the government make a grant as capital for the Council at the time it was created or at some later stage of its development?

Hon. James Hugh Faulkner (Secretary of State): (a) The Canada Council has subsidized the Social Science Research Council since the fiscal year 1957-58. (b) Not applicable. (c) The figures available to the council are for fiscal years ending March 31: 1971-72, $347,468; 1972-73, $465,412; 1973-1764, $522,961. (d) No.

D.V.A. EMPLOYEES EARNING MORE THAN $20,000, $30,000 AND $40,000 IN 1973

Question No. 142—**Mr. Herbert:**

How many public servants in the Department of Veterans Affairs received T4 slips for 1973 showing gross remuneration in excess of (a) $20,000 (b) $30,000 (c) $40,000?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): (a) 147; (b) 96; (c) 1.

*NATIONAL ENERGY BOARD PERSONNEL

Question No. 193—**Mr. Orlikow:**

1. Who are the members of the National Energy Board and (a) what are the academic qualifications of each of the members (b) what was their business experience before becoming members of the National Energy Board (c) have any of the members of the National Energy Board had any experience in the fields of economics, ecology or the environment?

2. Do any of the employees of the National Energy Board have training in economics, ecology or the environment and, if so, what are their names and what is the academic record and/or experience of each of these employees?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, because of the length of the answer, perhaps it might be printed in *Hansard* as having been read.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: The above answer follows*]

National Energy Board reports: (a) 1. Marshall A. Crowe, Chairman, B.A.; Douglas M. Fraser, Vice-Chairman, B.A., and graduate studies in economics and political science; Jack G. Stabback, Associate Vice-Chairman, B.Sc. (Chemical Eng.), P. Eng.; A. Cossette Trudel, Member, B.Eng., B.Eng. (Mechanical), P.Eng.; C. Geoffrey Edge, Member, B.Sc. (Honours in Economics), RIA: Ralph F. Brooks, Member, B.Sc. (Electrical Eng.), P.Eng.; William A. Scotland, Member, B.Sc. (Chemical Eng.); Jacques Farmer, Member B.A., B.Sc. (Appl. Sc.) graduate studies in Industrial relations and Business Administration. (b) This part is in the nature of personal information which may be disclosed by the individuals concerned. However, as a matter of principle, information on personnel files has been regarded as not returnable by the government. (c) Yes.

[Mr. Whelan.]

2. The Staff of the National Energy Board includes 36 employees who have training in economics, ecology or environment and who occupy positions classified accordingly within the Scientific and Professional category. Several other employees of the Board have also had training relative to the aforementioned fields but fill positions in other occupational categories. Consequently, a large, complex amount of work would be required to identify each such individual and provide an accurate return.

INTERLOCKING DIRECTORSHIPS

Question No. 207—**Mr. Herbert:**

Is the government considering the reintroduction of legislation to prohibit interlocking directorships where it is satisfied that such interlocking directorships have or are likely to have the effect of significantly lessening competition?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): The government is proceeding with the revision of competition policy in two stages. Bill C-2 represents the first stage. In the second stage, consideration will be given to the reintroduction of legislation relating to interlocking directorships.

VETERANS IN THE OKANAGAN BOUNDARY IN RECEIPT OF ALLOWANCES

Question No. 302—**Mr. Whittaker:**

1. What is the estimated number of veterans in the Okanagan Boundary receiving (a) war veterans allowance (b) disability pension (c) civilian war allowance?

2. Under the Veterans' Land Act, if both husband and wife are veterans, does the certification of one signify the eligibility of the other?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Statistics are not maintained by the census division on the numbers of veterans receiving War Veterans Allowance, Civilian War Allowance and Disability Pension. According to the 1971 census, there were an estimated 3,435 veterans resident in the Okanagan-Similkameen census division. This represents 3% of the estimated veteran population of the department's Vancouver district office. At August 31, 1974, in this district, there were 6,237 persons in receipt of War Veterans Allowance and Civilian War Allowance and 15,075 veterans in receipt of disability pension.

2. No. It was necessary for a veteran, on an individual basis, to apply for and be certified as qualified on or before October 31, 1968.

TOTAL COST OF JULY 8 ELECTION IN SIMCOE NORTH

Question No. 380—**Mr. Rynard:**

1. What was the total cost of the July 8, 1974 election to the government for the constituency of Simcoe North?

2. What was the salary paid to the Returning Officer?

3. What was the total amount of expenses of the office of the Returning Officer, including clerical staff?

4. What was the total amount paid all enumerators and other similar type officials?

5. What was the total amount paid to all (a) Deputy Returning Officers (b) poll clerks?

6. What was the amount paid for all advance polls including rent, agents and other staff?

7. What was the total cost of the July 8, 1974 election to the taxpayer?

Hon. Mitchell Sharp (President of the Privy Council): The answer in so far as the Office of the Chief Electoral Officer is concerned is: 1. $109,810.18

NOTE: This amount includes the following amounts not shown elsewhere in the answers to this question: Rental respecting polls, $8,680; Appointment of constables at all polls, $993; Rental of revising offices, $570.

2. $4,041.92.

3. $34,537.62 (Excluding payment for personal services of returning officer as set out in Part 2 of this answer).

4. $41,617.64 respecting enumerators, revising officers, revising agents and clerical staff of revising officers.

5. Ordinary Polls: (a) $9,920; (b) $7,440. Advance Polls: (a) $720; (b) $660.

6. $630 rent plus $1,380 paid to deputy returning officers and poll clerks of advance polls as set out in Part 5 of this answer.

7. See reply to Part 1 of Question No. 44 answered this day.

● (1410)

Mr. Diefenbaker: On a point of order, Mr. Speaker, for more than a month I have endeavoured to get an answer to question 544. From time to time I have communicated with the minister's office, on each occasion being promised an early reply. Finally, because I could not get any answer, I placed this question concerning the commissioning of statues of Right Hon. R. B. Bennett and Right Hon. Arthur Meighen on the order paper. One week ago I again placed this matter on the order paper as a starred question. I cannot understand why the government has no record of this or is unable to furnish an answer. I understand that for the last several years these statues have been in storage. I wonder why they are there, and also why, although the Right Hon. Arthur Meighen was prime minister before Mr. King, Mr. King's statue is on Parliament Hill, but not Mr. Meighen's. It is impossible, apparently, to secure information concerning the whereabouts of these two statues. I hope that the department will pay some attention to this because I know the scriptural admonition "seek and ye shall find" will certainly bring results.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notice of Motion for the production of papers No. 5 is acceptable to the government.

Oral Questions

COPY OF NEW PASSPORT COVER DESIGNS

Motion No. 5—**Mr. Munro (Esquimalt-Saanich):**

That an Order of the House do issue for a copy of the new designs for passport covers.

Motion agreed to.

Mr. Reid: Mr. Speaker, I ask that the other notices of motions be allowed to stand.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

THE MINISTRY

SUGGESTION MINISTER OF AGRICULTURE BE GIVEN ADVICE ON HIS RESPONSIBILITIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct my question to the Acting Prime Minister. In view of what the Minister of Agriculture told the press outside the House yesterday when he said he is not sure of the division of authority and responsibility as between himself, the National Farm Products Marketing Council and the Canadian Egg Marketing Agency, will the Acting Prime Minister make available to the Minister of Agriculture all necessary legal advice so that the minister may be provided with all facts relating to this authority and responsibilities.

Hon. Mitchell Sharp (Acting Prime Minister): Yes, Mr. Speaker.

Mr. Stanfield: Mr. Speaker, in view of the difficulties the minister must be experiencing and in view of the gray area which may exist, from the point of view of the minister—

Mr. Hees: And that doesn't mean Herb, either.

Mr. Stanfield: —what steps does the Acting Prime Minister propose, to make certain that the Minister of Agriculture receives proper advice on the subject.

Mr. Sharp: Mr. Speaker, the Minister of Agriculture is performing magnificently in his portfolio.

Some hon. Members: Hear, hear.

Mr. Sharp: I know the opposition wants to downgrade him, but I do not think that will happen.

Mr. Diefenbaker: Ask Mrs. Plumptre.

Oral Questions

REQUEST FOR STUDY OF COMMITTEE EVIDENCE TO DETERMINE IF MINISTER OF AGRICULTURE COMMITTED OFFENCE UNDER CRIMINAL CODE

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Minister of Justice. Will he examine the evidence presented yesterday to the special committee on egg marketing, to determine whether his colleague, the Minister of Agriculture, has committed an offence under section 115 of the Criminal Code dealing with disobeying a federal statute.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am always glad to look at the reports of that interesting committee.

* * *

NORTHERN AFFAIRS

ALLEGED ACTION BY CANADIAN TUNGSTEN COMPANY AGAINST EMPLOYEES INVOLVED IN LABOUR DISPUTE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development and the Minister of Labour, may I direct my question to the government House leader. It concerns a report to the effect that in the community of Can-Tung, in the southern part of the Northwest Territories, which is a company town run by Canadian Tungsten Company, provisions have been cut off for those in the community who were involved in a labour dispute and evictions have taken place. Will the minister assure the House that the department which licences these companies and permits them to operate in the Northwest Territories will require of them elementary standards of decency and humanity in the operation of these communities.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I will see that this question is brought to the attention of the minister.

* * *

[*Translation*]

SOCIAL SECURITY

GRANTING OF OLD AGE PENSION TO SPOUSE AT AGE 60—POSSIBLE RETROACTIVITY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Prime Minister but, in his absence, I shall put it to the Acting Prime Minister.

An hon. Member: He is at the conference.

Mr. Caouette (Témiscamingue): I see. He may be at the conference, I do not blame him.

During the last election campaign, while we had recommended it years ago, the Liberal candidates promised to grant the old age pension to spouses at age 60. Recently, while answering a question I put to him the Prime minister said that we would have until the 1st of August of 1975 to pass this legislation in the House of Commons. Since we receive a great many letters on this subject from all parts of the country, is the minister in a position to tell us whether if it is passed in July or before the 1st of August 1975, this legislation will be retroactive to July 8, 1974?

[*English*]

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, when the legislation is brought down, the hon. member will have the answer to his question.

* * *

TRADE

REASON FOR ALLEGED DECLINE IN EXPORTS—GOVERNMENT ACTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As exports increased by 28 per cent during the first nine months of this year compared with the same period a year ago—

Some hon. Members: Hear, hear!

Mr. Hees: Just wait until you get the bad news.—and the prices of those same products increased by no less than 37 per cent—

Some hon. Members: Shame.

Mr. Hees: —leaving a decrease of 6 per cent in the volume of exports during the first nine months of this year, does the government intend to do anything to reverse this accelerating trend and, if so, what and when?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, in the first eight months of this year, Canada's exports of end products were 5.1 per cent higher than for the same period a year ago.

Some hon. Members: Hear, hear!

Mr. Gillespie: Second, the largest increase in physical volume, as distinct from value, has taken place in end products, excluding automobiles.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, the minister did not make any attempt to answer my question. He dealt with a specific type of export over an eight month period whereas the nine month figures are available to him. His answer made clear his indifference to this whole question. What has happened to the former determination and ability of this department to overcome difficult situations, which characterized its operations under a former regime?

Mr. Gillespie: Mr. Speaker, I would like to reassure the hon. member that the government's priority given to the Export Development Corporation indicates the very high priority we are placing on assisting Canadian exporters to remain internationally competitive.

Mr. Hees: Mr. Speaker, I have one final supplementary. Is the minister not aware that the principles employed by the Export Development Corporation are those which were initiated by the government of which I just spoke and have been developed by his government following our

very excellent example. All this is nothing new. It is simply following the principles started by the minister's predecessor.

Mr. Chrétien: When you were a minister, I was still in college. That was a long time ago.

Mr. Speaker: Order, please. Despite the fact there is great liberty during the oral question period, there must be some sense of the present somewhere in the question.

* * *

POST OFFICE

LOSS OF ASHES OF LATE MICHAEL KLOCHKO

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Postmaster General. Has the post office yet located the ashes of the late Michael Klochko which were lost in the mail two months ago while making the 50 mile trip from Grimsby to Toronto?

● (1420)

Hon. Bryce Mackasey (Postmaster General): No, unfortunately. However, the parcel would have been made safer for the sake of another 90 cents. That is why we have had registered mail for over 100 years.

* * *

EXTERNAL AFFAIRS

INDIA—POSSIBLE REQUEST FOR FOOD AID

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the widespread famine in India, the worst for decades, may I ask whether the government of India has made any request to the government of Canada for food aid?

Hon. Allan MacEachen (Secretary of State for External Affairs): There has been no formal request with respect to food aid. Yesterday, however, I did have occasion to speak briefly with the Indian High Commissioner and the question was raised in a particular context.

Mr. Ritchie: Has the government of India indicated that Canada should request to supply food to the starving people, as was indicated to Mr. Kissinger that the U.S.A. should request to supply such food on his visit to New Delhi?

Mr. MacEachen: No, Mr. Speaker. Mr. Kissinger was not mentioned.

NATIONAL DEFENCE

CRASH OF ARMED FORCES PLANE IN MIDDLE EAST—REQUEST FOR REPORT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of National Defence. The hon. gentleman's parliamentary secretary provided me with some information about the unfortunate crash of a Buffalo aircraft assigned to UNEF and I wish to follow up this matter. Do both the Canadian and the United Nations reports on the incident disclose that there was a gap of some two and a half minutes in the communications tape between the Damascus control tower and the aircraft? When may one expect the United Nations' report and our own NDHQ report to be made public so that the families of the men who were killed might have some reassurance about this tragedy?

Hon. James Richardson (Minister of National Defence): The reports to which the hon. member refers are in the process of being studied. However, the United Nations' Report has not reached us and I cannot name a date for its arrival.

[*Later:*]

Mr. Fairweather: On a question of privilege, Mr. Speaker. I do not often raise questions of privilege, as Your Honour knows, but I think the Minister of National Defence would like an opportunity to correct the incorrect answer he gave me. My information from his parliamentary secretary is that the United Nations' Report has, in fact, been received. I know the minister has been away, but I would like the record to be straight. This is a very grave matter and there are unpleasant aspects to it that I think should be cleared up.

Mr. Richardson: Mr. Speaker, the hon. member is correct. I have been informed that the United Nations report has very recently been received and is now being studied, together with our own report.

* * *

AGRICULTURE

TURKEYS—INCREASE IN NUMBER IN COLD STORAGE—GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is addressed to the Minister of Agriculture and it arises from the present sizeable build-up of turkeys in storage in Canada. What does the government intend to do about managing these turkeys stocks? I ask this question because during the first part of October there were some 77 million pounds of turkeys in storage as compared with some 46 million pounds in storage in October of last year and 16 million pounds in September of last year.

Hon. E. F. Whelan (Minister of Agriculture): Not long ago, Mr. Speaker, I had a conversation with one of the people who is concerned about turkey storage. As we know, many turkeys were sold over the Thanksgiving weekend—I do not have the figures with me. I know that some were sold as loss leaders below cost. Many birds were sold at lower prices than they were ten years ago,

enabling people to benefit from this excellent source of protein. I would point out that the trade owns most of these birds. The National Turkey Marketing Agency does not own any at all. I understand they are all in good cold storage and that there are no signs of deterioration. They could be used in many different programs.

Mr. Murta: Can the minister advise the House what could be an acceptable figure for surpluses of turkey products in Canada as far as the Department of Agriculture is concerned?

Mr. Whelan: I look upon the supply position in this way: it is better to have a surplus position than a deficit. A surplus ensures that we are able to supply our people at reasonable prices and participate in world food programs.

* * *

INDUSTRY

FOREST INDUSTRY—POSSIBLE SALE TO CUBA AND ICELAND—GOVERNMENT ACTION TO STIMULATE MARKETS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In reply to a question yesterday concerning the 16,000 lay-offs in the forestry industry of British Columbia and equivalent lay-offs coming into New Brunswick and Quebec, the minister stated that his department had effected certain sales to countries like Iceland and Cuba. I should like the minister to be more specific. Was he suggesting that recent sales to those countries were going to affect lay-offs in any significant way and, if so, in what way? I should also like to ask him what he is doing in addition to deal with this situation.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I was referring to the active participation of my department in seeking new export markets for the products of the forest industries of Canada. I identified some of these markets in my remarks yesterday.

Mr. Broadbent: But have you made any sales?

Mr. Gillespie: I was not suggesting that there would be an immediate short-term benefit. For that reason we have been examining other options which might sustain production during the winter.

Mr. Broadbent: A supplementary question, Mr. Speaker. Would the minister inform the House what the other options are so that we, and more particularly the people directly involved in these lay-offs which are taking place right through northern Canada now, will have some idea what to expect in the coming months?

Mr. Gillespie: Mr. Speaker, the study has not yet been completed. As soon as it has been completed I will be making an announcement.

[Mr. Whelan.]

HOUSING

SUGGESTED LOWERING OF MORTGAGE INTEREST RATES—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I put a final supplementary question. May I ask the Minister of State for Urban Affairs this question. Given the lay-offs in the lumbering industry, and also given the report this morning that Premier Davis, that well known radical from Ontario, has suggested that the government involve itself in providing mortgage money at lower interest rates so that more houses can be constructed in his province, is the government finally going to do something to bring down mortgage rates and, if so, when?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, certainly I welcome the bold initiative of the premier of Ontario in suggesting more mortgage money at lower rates would be helpful. I think this is very much in line with our innovative housing program. We have been doing this, of course, to the tune of $1,350 million during the past year. I would very much welcome any innovative thinking on how to bring down mortgage interest rates without spending still more money. However, we are spending that money; we have spent it, and we intend to continue to stimulate housing construction. Our expenditures on housing have increased each and every year, and the effect of that spending, as a result of programs introduced by my predecessor and as a result of present programs, will have an even greater impact on the market next year.

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[*Translation*]

ENERGY

ALLEGED REQUEST FOR SOQUIP TO ASSOCIATE WITH PANARCTIC—REASON FOR REFUSAL

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the Minister of Energy, Mines and Resources being absent, I shall put my question to the Acting Prime Minister.

In view of the fact that Panarctic Oils Limited is a joint venture of the federal government and the private sector which conducts explorations for oil, and that a corporation called Soquip has similar operations in Quebec, can the Acting Prime Minister tell the House if he is aware of the fact that Soquip presented a request in order to become member of the Panartic Oils Ltd. consortium? If he is, how was that request answered?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the question, as I recall it, related to an interest by Soquip in buying shares in Panarctic Corporation, and the government indicated that this would not be in accordance with government policy.

● (1430)

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question.

Is it true, as newspapers indicate, that the request was dismissed in order to avoid political conflicts between Ottawa and Québec, and that the real interest of Canadians in this field have been ignored?

[*English*]

Mr. Sharp: Mr. Speaker, it was not especially related to Quebec; it is the general policy of the Canadian government that the present distribution of shares, 45 per cent to the federal government and 55 per cent in the hands of the private corporations, should not be disturbed.

* * *

HOUSING

PROPOSED AGREEMENT WITH PROVINCES TO HAVE ONE BODY RESPONSIBLE—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the minister of state responsible for housing following his answer to the leader of the NDP. As housing starts are down 24 per cent, will the minister now explore with officials of provincial corporations responsible for housing and officials of the CMHC the idea of obtaining a federal-provincial agreement under which one body would pour money into housing, rather than having the conflict that exists between provincial and federal bodies, always used as an excuse by the minister responsible for housing in this House?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I do not think I have used that as an excuse. I do look for co-operation and, indeed, I obtain it. We have agreements and we hold meetings with the provinces, and the fact that we will have something like 255,000 housing completions this year is an indication of that co-operation and success in our programs.

Some hon. Members: Hear, hear!

Mr. Woolliams: Mr. Speaker, I should like to follow up on that as the minister did not answer my question. I asked first of all whether he had or would explore the idea suggested by the Premier of Ontario of preparing an agreement between federal and provincial bodies in order that we might have one housing body responsible for housing. I asked that question in view of the fact that every construction company and construction worker knows that housing starts are down in this country. There is no point in looking at last year when we are living in 1974.

Mr. Danson: Mr. Speaker, we are living in 1974 and planning for 1975. Certainly, I would explore any positive avenue which would help improve the situation to the greatest possible extent. I am not convinced that having one vehicle in each province is the only answer. I think coordination of programs is extremely important. I am sure the hon. gentleman will agree that it is very important when funds at one level are being spent by another that there be a high degree of accountability and a recognition of where these funds come from, particularly for the governments that have to provide them.

AIR TRANSPORT

STUDY ON COMPETITION BETWEEN CARRIERS IN MARITIMES—GOVERNMENT POSITION ON APPLICATION OF CP AIR

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, last March a series of air transport hearings were held in the Atlantic area dealing in part with competition and the entry of CP Air into that region. Could the Minister of Transport now indicate the status of the report, what stage it has reached and when he expects to hear from the air transport committee as to its conclusion reached following these hearings and studies?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I know that the committee held very fruitful meetings with the ministers of the governments as well as with other groups in the Maritimes, and are now on the way toward improving services to the Maritimes. I hope that the hon. gentleman will be satisfied with the work that has been done.

Mr. Forrestall: Mr. Speaker, I wonder whether the minister would give an answer to my more direct question? Is it the intention of the government to allow CP Air to operate between Montreal and Halifax and/or Halifax, Montreal and points west?

Mr. Marchand (Langelier): Mr. Speaker, there is a part of the question I missed for obvious reasons. Is the hon. gentleman referring to one particular airline?

Mr. Forrestall: Yes, I was referring to CP Air.

Mr. Marchand (Langelier): Surely, the hon. member will allow me not to give an answer at this moment.

* * *

TRANSPORT

POSSIBLE ABOLITION OF CROWSNEST PASS FREIGHT RATE—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I know that we can always get a clear and definite answer from the Minister of Transport. In view of the aroused public opinion in the prairie provinces over the suggestion that the Crowsnest Pass rates are to be abolished, now that the minister is here again may I ask whether he can give the assurance that such is not the case?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I know that the right hon. gentleman posed exactly the same question over six months ago.

Mr. Diefenbaker: That's right.

Mr. Woolliams: And you gave the same answer.

Mr. Marchand (Langelier): If my memory serves me well, the way he put it then was that if ever we touched the Crowsnest Pass rates it would be worse than an atomic bomb exploding in the west.

Mr. Diefenbaker: That's right, that's what I said.

Mr. Marchand (Langelier): So the bomb is still there and it has not exploded.

Mr. Diefenbaker: Mr. Speaker, it is not often that a minister can remember with such exactitude what has been asked, and answer with such indefiniteness. Regardless of the bomb not having exploded to date, has the minister or his department given consideration to the removal of the Crowsnest Pass rates?

Mr. Marchand (Langelier): Mr. Speaker, the only thing I can state this afternoon, and I think this is very important, is that the only matters which are under consideration by the department or the ministry are those matters which have been submitted to the ministers of transport for the western provinces, and we are satisfied that the agenda really corresponds to the problems that exist.

Mr. Diefenbaker: Mr. Speaker, I know how deeply concerned the minister is. Let us now have a little definiteness rather than this playing around with the House of Commons. Is the minister or is he not going to remove the Crowsnest Pass rates, or is he giving consideration thereto? I can only conclude that unless he answers he intends to.

Mr. Marchand (Langelier): Mr. Speaker, I think the right hon. gentleman already has the answer. He knows very well that if the Crowsnest Past rates had been put on the agenda for our meetings in the west he would have heard about it and the press would have heard about it, so that means this is not the problem with which we are concerned.

Mr. Diefenbaker: Good. Tell the Minister of Justice.

* * *

FISHERIES

SEALING—POSSIBLE CHANGE IN REGULATIONS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question relating to comments made by the minister of fisheries to the Standing Committee on Fisheries and Forestry on October 17, at which time he expresssed certain reservations regarding seal hunting regulations and how they should be applied. Would the minister indicate to the House whether he is contemplating any changes in the sealing fisheries regulations?

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I did say to the committee that whenever people's livelihood and incomes were involved I was ready to review and have a second look at anything, and I maintain that position. Yesterday at a luncheon meeting with Dr. Ronald, who is chairman of the advisory committee which advises the minister on this particular issue, I received his report. I intend to read it carefully and discuss it with Cabinet. Thankfully this is an area in which we have some lead time since the season does not open until March. I will obviously undertake to consult with the committee on any decision concerning any new regulations.

POSSIBLE EXTENSION OF PRICE SUPPORT FOR INDUSTRY

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I understand that the minister met yesterday with the Newfoundland fisheries minister along with other officials and people connected with the fishing industry, and that one of the matters discussed was price support for the industry. Can the minister tell the House if it is the government's intention to extend the price support? I think originally it was planned for a four month's period.

● (1440)

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I hope that this matter will be discussed at this week's cabinet meeting, following which I will inform the hon. member.

INABILITY OF FISHERMEN TO FILL QUOTAS BECAUSE OF STRIKE AT PLANT OF FRESHWATER FISH CORPORATION—ELIGIBILITY OF FISHERMEN FOR UNEMPLOYMENT

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, while I am on my feet, and with your permission, I should like to answer a question asked yesterday by the hon. member for Selkirk regarding the effects of the strike by the Freshwater Fish Corporation employees in Transcona on fishermen who have not yet filled their quotas. It is my understanding that the majority of fishermen from the Lake Winnipeg area had caught most of their quota before the strike began. I am advised that it will take some time before the province of Manitoba and the corporation will have sufficiently detailed information to determine how many fishermen had in fact reached their quota. As for the problem of UIC and the Canada Pension Plan, these matters are being actively discussed in the departments involved, as I indicated yesterday.

* * *

[*Translation*]

NATIONAL SECURITY

ALLEGED INFILTRATION INTO CANADA OF C.I.A.—KNOWLEDGE OF ROYAL CANADIAN MOUNTED POLICE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to put a question to the hon. Solicitor General.

Following the report presented yesterday on the CBC French network about the infiltration into Canada, and particularly into Quebec, of the C.I.A., with supporting proof and evidence, would the minister be prepared to make a statement on motions about the extent of those intelligence activities which our country apparently does not escape and inform the House of the government's position on that matter?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, last night I did not see the broadcast referred to, but I have asked for a text of what was said on the broadcast. I will investigate the charges made there and report to the House.

[*Translation*]

Mr. Wagner: Mr. Speaker, I have a supplementary question.

In view of this answer, will the minister, after having examined the report of the interview, inform the House as to whether the C.I.A. operates with the knowledge of the Royal Canadian Mounted Police or on a parallel basis without the RCMP being aware of its activities?

[*English*]

Mr. Allmand: Mr. Speaker, neither the CIA nor any other foreign police agency operates in Canada without the knowledge of the RCMP. From time to time foreign police agencies continue cases in Canada, but they do so with the consent of the RCMP and there is always an RCMP officer present as they carry out their work in Canada.

* * *

AIR TRANSPORT

REQUEST FOR MEETING WITH MEMBERS OF PARLIAMENT FROM MARITIMES CONCERNING SERVICE TO THEIR AREA

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I should like to direct a question to the Minister of Transport. With respect to the public meetings held in the Atlantic region by the Air Transport Commission earlier this year—a matter which was already brought up during the question period today—as a result of recommendations made and arising therefrom, will the minister arrange a meeting with the Atlantic provinces' members of parliament regarding air services in the Atlantic region and the roles of Air Canada, Canadian Pacific Airlines and Eastern Provincial Airlines?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am sorry but I think I have a permanent problem; I did not hear the hon. member. He spoke before I used the earpiece. May I ask him please to repeat his question with your permission?

Mr. Speaker: The hon. member was asking whether the minister could arrange a meeting with the Atlantic provinces' members about air service for the Atlantic provinces.

Mr. Jones: Would the minister like me to repeat my question? My question is with respect to the public meetings in the Atlantic region by the Air Transport Commission earlier this year. As the result of recommendations arising therefrom, would the minister be prepared to arrange a meeting with Atlantic provinces members of parliament with respect to air service in the Atlantic region and the roles of Air Canada, CP Air and Eastern Provincial Airlines?

Mr. Marchand (Langelier): Mr. Speaker, I will take this question as notice to see whether this is really the best way to proceed in order to give the best service to the Atlantic provinces.

HOUSING

SUGGESTED ESTABLISHMENT OF LUMBER BANK—GOVERNMENT POSITION

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the current depression in lumber prices, will the minister give consideration to setting up lumber banks along the lines of land banks to provide a flow of low cost lumber for housing in the future and at the same time to provide relief and employment in the depressed regions of the country?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, it is a very imaginative suggestion which I should like to take under consideration. Obviously, it poses some knotty problems which we will have to work out.

Some hon. Members: Oh, oh!

REDUCTION IN HOUSING STARTS—GOVERNMENT MEASURES TO INCREASE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of State for Urban Affairs. The minister has stated that he has been planning for 1975. Now that a University of Toronto affiliated institute has substantially confirmed the Conference Board's earlier forecast that housing starts will be down 35 per cent, or 96,000 units next year compared with last year, would the minister indicate what new steps, if any, his department intends to take to avert this slump?

Hon. Barney Danson (Minister of State for Urban Affairs): Certainly I treat the reports of the Conference Board and other such reputable bodies with great respect. That would be the case if they did not have an alert and energetic government. I will be introducing and announcing legislation with reference to new steps to the House at the appropriate time, and I can assure the hon. member they will be steps which I think will be appropriate to rectify what would be an unacceptable situation.

Mr. Stevens: Again I have a question for the Minister of State for Urban Affairs. I take it from his comments that he is challenging the forecast and the predictions made by these two reputable bodies. If so, would the minister kindly indicate to what extent he believes housing starts will be down in the first quarter of 1975 compared with the first quarter of 1974?

Mr. Danson: I am not challenging those figures. Those are projections by reputable bodies, as I said before. But it is my job to prove them wrong, if I can.

Oral Questions

REDISTRIBUTION

PROPOSED INCREASE IN NUMBER OF SEATS ALLOTTED QUEBEC AND ONTARIO BUT NOT BRITISH COLUMBIA—REQUEST FOR EXPLANATION

Mr. John Reynolds (Burnaby-Richmond-Delta): I have a question for the government House leader involving redistribution of seats. As the government House leader knows, in the last session we delayed it, but under that program the province of British Columbia would have obtained three more seats, the province of Ontario three more, and the province of Quebec would have lost two. We understand that under the bill to be presented next week, the province of British Columbia will still gain three seats but the province of Ontario will gain seven and Quebec will gain one. We wonder why, if these two provinces have had their seats increased, Ontario by four and Quebec by three, British Columbia is not having the number of its seats increased.

Mr. Speaker: I think the question clearly anticipates not only government policy but, by its very nature, what will be before the House in the form of legislation for debate next week. Therefore, I cannot allow the question to be asked.

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VETERANS AFFAIRS

DATE OF TABLING OF HERMANN REPORT

Hon. Marcel Lambert (Edmonton West): My question is for the Minister of Veterans Affairs. Would the minister kindly advise us as to when he proposes to table the Hermann report which he told us would be tabled immediately after the resumption of this session and is now well over a month old?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Yes, I can table the Hermann report soon. The reason it has not yet been tabled is that we have been very busy in the Veteran Affairs Committee. However, it will be tabled shortly.

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CONSUMER AFFAIRS

PURPOSE OF SUBSIDY ON SKIM MILK POWDER

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Will the minister inform the House if the purpose of the government subsidy of 24 cents per pound on skim milk powder was and is to give a lower price to the consumer?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I think it would be better if the hon. member put the question to the Minister of Agriculture who is administering these subsidies.

Mr. Rodriguez: Mr. Speaker, may I direct that question now to the Minister of Agriculture.

[Mr. Danson.]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the latest report I have came yesterday. Every retail outlet was passing this saving on to the consumers except for one, and yesterday they thought they would be doing it. I have not received a report on that this morning.

● (1450)

SUBSIDY ON SKIM MILK POWDER—REQUEST FOR ASSURANCE CONSUMERS RECEIVE BENEFIT

Mr. John Rodriguez (Nickel Belt): My supplementary question is directed now to the Minister of Consumer and Corporate Affairs. In view of the irresponsible position which the Retail Council of Canada has taken in this situation by informing retailers that they are not obliged to pass on the government subsidy to the consumer, will the minister inform the House if he intends to continue to license the theft of public funds by the retailers?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I feel that the reply the hon. Minister has just made clearly indicates that the greater majority of retailers—with only one exception—have passed on the subsidy to consumers. Having discussed the matter with him, I know that he was ready to cancel this subsidy, should retailers refuse to pass it on to consumers.

[*English*]

Mr. Rodriguez: Mr. Speaker, a point of order. It was the minister's own Food Prices Review Board which reported retailers and processors were not passing on the government subsidy to the consumer. In effect, his own board has informed us that this is not being done.

[*Translation*]

Mr. Ouellet: The answer is that, at the present time, not only is the subsidy passed on to consumers, but I have been advised that in some cases, prices have been reduced, to compensate for the inconveniences of the previous situation, when the subsidy was not passed on. I feel that the hon. member wants to start a storm in a tea-cup, although he has received every assurance that this subsidy is actually passed on to consumers and that the Minister of Agriculture intends to deal severely with those who, once again, would not pass on this subsidy to consumers.

* * *

[*English*]

POST OFFICE

SUGGESTED ISSUANCE OF STAMPS TO COMMEMORATE MEETING OF INTERNATIONAL SOIL SCIENTISTS IN 1978

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed to the Postmaster General. For the recent meeting of international soil scientists in the Soviet Union that country issued a commemorative stamp. Canada will be honoured in 1978 when the meeting of international soil scientists takes place in Edmonton. This will require about 8,000 letters to organize it and will bring 3,000 to 4,000 international guests to this country. Can the minister assure the House that Canada will issue a commemorative stamp to mark the occasion?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I congratulate the hon. member for getting his bid in for a commemorative stamp for 1978. I can assure him that his request will be given due consideration along with the many other requests I have on my desk of a similar nature.

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EXTERNAL AFFAIRS

SUGGESTED ADDITIONAL AID TO THIRD WORLD COUNTRIES IN THE FORM OF OIL

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Now that the minister has put himself above politics, I wonder if he has had time to examine a suggestion I made about a month ago that Canada take the lead in adding oil as a new dimension to our foreign aid programs to help relieve the balance of payments difficulties of the underdeveloped world?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am somewhat offended at the suggestion that I have risen above politics! I want to assure the hon. member that I have given consideration to his suggestion but have concluded that oil would not be a suitable commodity for aid purposes and that probably it would be in our best interests to rely on commodities in which we have a comparative advantage over other suppliers.

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REGIONAL ECONOMIC EXPANSION

PROPOSED OPERATION OF CAPE BRETON COAL MINES BY CONSORTIUM—REQUEST FOR TABLING OF REPORT ON PROPOSED STEEL COMPLEX

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Economic Expansion who reports to the House for the Cape Breton Development Corporation. May I ask if he or any officials of his department or the government have held discussions with the Nova Scotia government on the possibility of the Cape Breton coal mines being turned over to a company or consortium of companies to operate them?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): No, Mr. Speaker, there have been no discussions of the nature outlined by the hon. member. I am aware, of course, that a proposal has been discussed at some non-governmental meetings. Indeed, I made reference to it as recently as this morning in conversation with Premier Regan but there is not any substance to it in terms of immediate action.

Mr. Muir: A supplementary question, Mr. Speaker. May I ask the minister to tread very softly on that point. Is he aware that the Nova Scotia minister of finance is quoted as having said in New York that coal mines in Cape Breton will be operated by a consortium in connection with a possible new steel company? Can the minister assure the House that, as he promised, he will release the report of Canstel on the proposal for a steel complex? I realize that the Prime Minister has said that when members of this House get a few yards away from the Hill we are nobodies, but I do not think the minister holds that view so would he make sure that this House is advised of any proposals of such a nature?

Mr. Jamieson: Mr. Speaker, I will do my best to reply briefly. Let me say without any qualification that we have not in any sense discussed any change in the status of Devco or the coal mining operation either with Devco or the government of Nova Scotia. The only reference to it was a passing one during a recent meeting. I was not aware there was one in New York but I did know such a comment had been made. On the question of the Canstel report, I am prepared to table it at the earliest possible time but there are two restrictions. One is the translation which is necessary under the House rules, and the other is deletion of—I do not think it is important, but nevertheless it is confidential information. I hope to do that within a week or ten days, as soon as the translators are through.

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ENERGY

URANIUM—REQUEST FOR ASSURANCE OF MAINTENANCE OF ADEQUATE SUPPLIES FOR CANADIAN NEEDS

Mr. Ross Milne (Pell-Dufferin-Simcoe): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, perhaps I can put a question to his parliamentary secretary. Concerns have been expressed recently about the adequacy of uranium resources in many countries of the world, particularly the United States. Can the hon. member assure the House that there are adequate supplies of uranium in Canada and will Canada protect her own long term needs in view of the fact that some very lucrative long term contracts are likely to become available?

Mr. Maurice Foster (Parliamentary Secretary to the Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the hon. member that there are adequate supplies for the present nuclear generating capacity. It is recognized, however, that the demand for uranium will increase fourfold or sixfold in the next decade. That is why the government last month announced its policy of requiring that ongoing reserves be maintained for domestic reactors for 30 years.

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[*Translation*]

AGRICULTURE

SUGGESTED CONSULTATIONS WITH QUEBEC ON PROGRAM FOR BEEF PRODUCERS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct a question to the hon. Minister of Agriculture.

In view of the very difficult situation of the Quebec beef producers, and since the Quebec Minister of Agriculture,

Mr. Toupin, has disclosed yesterday what he intends to do in this respect and since the measure contemplated is far from being sufficient to allow those producers to operate at full capacity next winter due to the high cost of grain, could the hon. minister advise us whether he intends to communicate with Mr. Toupin in order to develop a real federal-provincial assistance policy in favour of those producers which would allow them to survive and maintain their production levels?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have just seen the program that the minister of agriculture for the province of Quebec has stated he is going to put into force and I think it is one of the best in Canada aimed at aiding farmers or cow-calf operators at the present time. The hon. member will have to be patient and wait to see what I am going to do.

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[*Translation*]

HEALTH

PROPOSALS TO PROVINCES FOR CONTROL OF MEDICAL COSTS—GOVERNMENT INTENTION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to put a question to the hon. Minister of National Health and Welfare.

In view of the fact that the provinces have recently turned down the federal government proposals for controlling the cost of medicare and health care, I want to know whether the minister intends to meet the provincial authorities in the near future to solve that problem as soon as possible.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am to meet the health ministers early in 1975. Now, I am not sure whether that matter will be on the agenda which has not yet been drawn up definitively with my colleagues. Naturally, the review of cost sharing has been discussed at length in the past few years and at least several more months of discussion will probably be required before we can ascertain whether there are better solutions to the present situation for improving health services.

● (1500)

[*English*]

REGIONAL ECONOMIC EXPANSION

POSITION OF REGIONAL AGREEMENTS IN BRITISH COLUMBIA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In view of the keen interest shown yesterday by the Minister of Industry, Trade and Commerce and Liberal backbenchers in the crisis in the forest industry facing Canada today, particularly in British Columbia, will the minister tell the House what stage his discussions with that province have reached subsequent to the umbrella agreement signed on March 28, and how are the regional agreements coming along?

[Mr. Beaudoin.]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I do not think it is possible for me to go into full details in the time available. I may say that from our point of view we are most anxious to conclude these agreements, particularly those relating to areas of the hon. member's concern, as quickly as possible. Within recent weeks we have instituted further talks with the government of British Columbia, in an attempt to speed up this process. For our part, we are ready to go ahead quickly and I will be prepared to sign as soon as the documentation is completed. Largely, however, the question itself at this period of time will probably have to be answered by the government of British Columbia.

[*Later:*]

Mr. Leggatt: On a point of order, Mr. Speaker, earlier today I directed a question to the government House leader in the absence of the Minister of Indian Affairs and Northern Development. As that minister is now present in the House, I wonder if he could be given an opportunity to answer my question, which is of some importance.

Some hon. Members: Oh, oh!

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

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IMMIGRATION

GOVERNMENT MEASURES TO ENCOURAGE FRANCOPHONE IMMIGRANTS

Mr. Jake Epp (Provencher): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the statement the minister made on motions last week respecting new regulations for immigration, what new steps is the department taking to recruit French speaking immigrants?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think I answered that question in a reply to a question asked by the Leader of the Opposition. I indicated that we are working in a co-operative fashion with the government of Quebec to establish offices and other facilities in Francophone countries. These will work with our officers abroad and will encourage, recruit and search out Francophone immigrants who wish to come to this country, but all of this will be done within the constraints of the regulations which are applicable to all prospective immigrants, no matter from what source.

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POST OFFICE

ALLEGED BOYCOTT OF POSTAL CODE BY EMPLOYEES—GOVERNMENT ACTION TO SETTLE GRIEVANCES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is addressed to the Postmaster General. Because of my sympathy for the problems of post

office employees, I am wearing one of their boycott buttons. I referred to these earlier this week in the House. I want to assure the minister that a boycott of the postal code by postal employees is in progress. My question is this: Is the minister now prepared to take steps to overcome the grievances of postal workers in this respect, perhaps by suggesting some alteration to the code system, or are we to assume that the minister is content with general mail delivery in Canada?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, if there is any boycott of the postal code in Toronto, it is not reflected in the efficiency figures for Toronto. Second, it is difficult to straighten out these problems so long as there is not a union with which I can bargain. Third, I am glad the hon. member identified the button, because when he first stood up I thought he was advertising a new athletic support.

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ENVIRONMENTAL AFFAIRS

SUGGESTED TABLING OF CONTINGENCY PLAN TO DEAL WITH OIL SPILLS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Minister of the Environment. Some time ago I asked the minister to table in this House a copy of contingency plans for spills of oil on the west coast. I have in my hand a document entitled "Joint Canada-United States Marine Pollution Contingency Plan for Spills of Oil and Other Noxious Substances". Is this the document which the minister said at the time was difficult to table?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, it is indeed difficult to table a contingency plan because it is difficult to know what plans are to be implemented before we know the nature of the accident.

Some hon. Members: Oh, oh!

Mrs. Sauvé: These plans are contained in our retrieval system. If the hon. gentleman is interested, I can get from that retrieval system the information he requests.

Mr. Speaker: Orders of the day.

Mr. Jelinek: On a point of order, Mr. Speaker, I should like to go back briefly to the answer given by the Postmaster General.

Some hon. Members: No.

Mr. Speaker: Order, please. Orders of the day.

GOVERNMENT ORDERS

[*English*]

TWO-PRICE WHEAT ACT

MEASURE TO PROVIDE FOR PAYMENTS FOR WHEAT PRODUCED AND SOLD IN CANADA FOR HUMAN CONSUMPTION

The House resumed, from Tuesday, October 29, consideration of the motion of Mr. Lang that Bill C-19, to provide for payments in respect of wheat produced and sold in Canada for human consumption in Canada, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I was unable to conclude my remarks on this bill last night and am pleased to have this further opportunity to speak. I wonder how this bill, if passed, would stand up in court if the competition bill presented by the Minister of Consumer and Corporate Affairs (Mr. Ouellet) becomes law. Misrepresentations have been made concerning this bill, and in the next few minutes I propose, for the benefit of producers and consumers, to reveal facts and figures which will show exactly what is taking place.

The minister suggested—this is significant—that this bill, once passed, will keep bread prices down by five cents a loaf. The consumer will benefit, according to the minister. He did not say that the Canadian producer of Red Spring wheat—that is, the producer in western Canada and, to some degree, in Ontario—is to subsidize the price of bread to the tune of three cents a loaf. The bill does not mention this fact, either. We must recognize that the western grain producer has just emerged from one of his most difficult periods in history because of low selling prices of wheat.

The recent strike of grain handlers on the west coast may not have affected very much the amount of grain used domestically in Canada, but it did affect the economic well-being of the grain producer. During that strike the minister in charge of the Wheat Board, who is supposed to protect and work for the interests of producers, told western Canadian farm organizations to settle the strike with the grain handlers' union on the basis of the Perry report. The Minister of Labour (Mr. Munro) and the Prime Minister (Mr. Trudeau) had also thrown their weight behind that report. Clearly, the minister was trying to get his colleagues off the hook. The prairie producer is to be commended for not taking the bait of the minister.

● (1510)

Now the President of the Treasury Board (Mr. Chrétien) is on the hook because the government forced the producers to settle for a 61 per cent increase to the grain handlers and Treasury Board is now offering 16 per cent to the grain inspectors who work for them. These men work side by side. I wish to quote a few facts from the August 28 edition of the Montreal *Star*, as follows:

> Put into annual terms, the conciliation board report calls for a base pay increase from $10,316 a year to $12,126 next year and to $13,478 the following year.

In addition to that, there is a cost of living index, plus a pension benefit. This runs to about $17,000 or $18,000. With regard to the income of producers, the article states:

Wheat Payments

Even in 1973, which by no stretch of the imagination can be regarded as a normal year, average net income of Alberta farmers was about $12,100; and of Saskatchewan farmers about $12,500.

In 1972, a more typical year, average net income of Alberta farmers was about $5,600; and of Saskatchewan farmers about $5,400. And the average was lower in 1971 and 1970.

The figures for the producers do not include pension benefits. The figures for the grain handlers do. Therefore, there is a vast difference. Approximately 8½ cents worth of flour, including milling costs, goes into a 24-ounce loaf of bread. At the present time, bread sells for between 40 and 48 cents a loaf, depending on whether it is a private brand or a name brand. In the last year, direct labour cost in the production of bread increased between 17 and 18 per cent. Unless the government is prepared to bring inflation under control, this type of increase will continue year after year; there will be no end to it.

The profits of the bakeries run from zero to 1½ per cent. That is not a great profit. We cannot condemn the bakeries for what they are doing; they are caught up in a series of regulations which are prescribed by government officials and they are being buried under the load. They have great difficulty dealing with these regulations. The cost of packaging, which the modern housewife demands, is up 84 per cent over last year. In addition, I understand that the Department of Consumer and Corporate Affairs is demanding a list, in percentages, of all the ingredients in a loaf of bread. This adds to the cost to the consumer.

On one hand we are trying to do something for the consumer; on the other the government negates that policy by adding controls, regulations and restrictions which increase the cost to the consumer. I mentioned recently in the House that the policy of this government is causing a great deal of hardship to the business economy of Canada. This is an example. Rather than list all the ingredients of the product and their percentages, it would be far better if the government set up a nutrition information bank where information would be available for persons with allergies. There could be a data centre in Ottawa which a person could call to obtain all the details of a product. The bakeries do not criticize the policy that this information should be listed somewhere, but they recognize that it costs a lot of money to do it. This cost ultimately must be borne by the consumer under the present system.

Some consumers can afford to pay a little more for a loaf of bread. In Canada today there is a vast majority who make more money than the producer. They enjoy the benefit of the three-cent subsidy which the western producer in many cases can ill-afford. In my constituency we grow some of the best wheat in Canada. We can grow number one CW wheat most years. Land is selling in the vicinity of $500 an acre. This is not because industry is trying to buy up the land; it is foreign-controlled money which is purchasing this land. The prairie grain producer has to compete with this type of financing.

Production costs have gone up. The costs of fertilizer, machinery and labour have increased. There does not seem to be any end to the rise in the cost of production for western producers. In my constituency it costs approximately $50 an acre to put in and take off crop. If land is worth $500 an acre, and the interest rate is 10 per cent, that amounts to an additional $50 per acre. This means the producer has a $100 cost per acre. He must recover this amount before he receives any return for himself.

[Mr. Towers.]

The cost of repairs is up 30 per cent, and the cost of machinery is up 30 per cent. Not long ago I spoke to a farmer who had just purchased a new swather. It was ordered and delivered in October. On November 1, the price of that type of swather will increase to $12,000, an increase of 30 per cent. Tractor and combines prices have increased to the point where they now cost between $25,000 and $35,000. While the operator in western Canada may have a great deal of wealth, he does not have the opportunity to make use of the return on that wealth because it is invested in his property. He cannot enjoy its benefit until he retires or sells his farm.

There is no guarantee that the western Canadian producer will have a large crop each year. The minister knows very well that for the past three years crops have been getting smaller and smaller. I am sure the minister will agree that crops in western Canada this year will be of lower quality and quantity than at any time in the past ten years. The average yield in the western Canadian Wheat Board area was 25 bushels per acre last year.

● (1520)

The price of wheat is good at the present time. As I mentioned in the debate yesterday, it is $6.20 per bushel, which means that the farmer will break even, and possibly come out with a small profit. But there is no guarantee. The farmer has to face many obstacles, and when the government imposes restrictions and regulations which are hard to deal with, many problems are created. The western Canadian farmer likes to produce. He recognizes there are approximately 3.9 billion people in the world and that the world population increases by 80 million each year. He recognizes the need to produce more and more as the years go by, if people are to be fed. The average Canadian eats 190 pounds of cereal a year, in one form or another. In India, people eat approximately 300 pounds. But the 190 pounds consumed by Canadians is supplemented by the extra protein we are fortunate to obtain from our red meat diet.

We must never take anything for granted. This is why I am concerned about the manner in which the minister has presented this bill. There has been no attempt to protect the western farmer against escalating costs of production. No provision is made for an increase in the price of wheat used for domestic use. I suggest there are people better able to pay this three-cent subsidy on a loaf of bread than is the producer. We recognize there are people in low income brackets who need assistance. I assure the minister that the western producer is a compassionate person who would not let anyone go hungry if he could prevent it. At the same time, he wants a fair shake.

I trust the minister will accept the amendment we intend to propose at the committee stage in order to afford the producer the protection he so vitally needs, because unless the government is prepared to do something to control inflation, the sky is the limit. The producer has to be protected as well as the consumer.

Mr. Les Benjamin (Regina-Lake Centre): Madam Speaker, in addressing myself to this bill I intend to be

brief. I begin by saying that my colleagues and I support the legislation in principle and, indeed, with some degree of self-satisfaction since it embodies an idea which was put forward by my party in the mid-thirties, as it relates to a minimum price, and since the early fifties as it relates to the two-price system. Thus, we feel some satisfaction that even after so many years the government should have come around to our view.

I recall that famous Liberal rally which was held in 1965 in the skating rink at Humboldt, attended by the prime minister of the day, Mr. Pearson, and an unlamented former member of the CCF, presently in the other place. The promise was made, then, of a two-price system and of a base price related to the cost of production. But nothing happened until two years ago when the industry was faced with a somewhat unusual situation and, incidentally, the government party was in a minority position in parliament. Anyway, the principle has at last been accepted, and even though the bill we are considering may be considered inadequate by some of us, a beginning has been made.

I recall the discussion which went on during consideration of the first grain stabilization bill the minister in charge of the Wheat Board brought down. This was one of the conditions we put forward for supporting that measure—a guaranteed price and a two-price system. At that time, the minister turned us down, but today he has come at least some distance toward accepting the point of view we then put forward.

Perhaps I could make one or two suggestions which in my view would make the legislation better and enable the minister to provide wheat growers with greater security. First, I would direct this question to the hon. gentleman: why just wheat? The minister has now come around to believing it is logical to give growers a fair price and a two-price system for bread wheat and Durum which is consumed in Canada by human beings. Surely it would be logical to extend this to other grains—oats, barley, rye, flax, rapeseed, sunflower seed, etc. The principle should be extended. I hope the minister, and his colleague the Minister of Agriculture (Mr. Whelan), will persuade their cabinet colleagues that this is a logical extension. There is good reason for doing so now, while we are at it.

Since Canadians consume only a relatively small percentage of those commodities I have mentioned, it would not involve massive expenditures, though it would afford a modicum of protection by way of guaranteed floor prices for those who produce these commodities. I hope the minister will bring in an amendment to this effect at the committee stage. If this is too much to hope, I trust he will at least discuss the matter with his colleagues and seek to have the legislation extended to cover other grains.

Then there is the other point, which is the desirability of providing an escalator clause or method of indexing the floor price in order to take into account increasing costs of production. It seems to me that if Statistics Canada, the farm organizations or the minister's own research people, establish that there had been an increase of 3, 4 or 5 per cent in cost of production in a given year, it is only fair that an increase of this nature should be reflected in the floor price. I hope the minister will consider bringing in an amendment of his own so as to incorporate an indexing clause of that kind in the legislation. This would at least see us through for six years, and when the legislation comes close to terminating we can always wrestle over it again. It is not a matter of setting a precedent. It would merely be an extension into the field of agriculture of a principle—a good one in my opinion—which has already been adopted in other areas.

I was disappointed that the minister was not more explicit in his introductory remarks. I wish he had included figures to show people in urban Canada, particularly in the east, how much these various agricultural programs are costing. Since he did not, I should like to put on record some examples of what is involved. For example, if the world price for wheat is, say, $5, then the farmer receives $5 from the Wheat Board, the miller pays $3.25 and the federal treasury pays the other $1.75. The public should know, Madam Speaker, that if the board's asking price is $5 and the world price, as was the case last Friday, is $6.04⅝ a bushel for 1 CW, 13½ per cent protein wheat, this means that the farmer is subsidizing Canadian consumers to the tune of $1.04⅝ a bushel. I have not found a single farmer, either in my constituency or elsewhere in western Canada, who is complaining about that at all. But I hope the rest of the people of Canada realize that were the situation left to the whim of the so-called open market, to world demand and so forth, it would cost them more for bread wheat than is the case under this legislation. This is something of a sacrifice that the wheat producers of the three prairie provinces are making and, as I say, I hope the people of Canada understand and appreciate that fact.

● (1530)

Let me take a further example. If the board's asking price for hard wheat is $4, and the same grain is sold in Canada for human consumption, then the farmer receives $4, the millers pay $3.25, but the government pays only 75 cents instead of $1.75, which means a reduction in cost to the Canadian taxpayer. A third example: the world price drops to $2.50; the farmers still receive $3.25, the millers pay $3.25 and the cost to the government of Canada is nothing. Only in that instance would the guaranteed floor price have any meaning or effect; it applies only when the world price drops below $3.25 a bushel.

Similarly with Durum wheat. Again, the farmer receives $7.50 a bushel for 1 CW Durum, basis Thunder Bay, the miller pays $5.75 and the government pays the other $1.75. The world price last Friday was $7.61⅝—not a large amount, but nevertheless 11⅝ cents per bushel that the Canadian farmer was giving up for the benefit of the consumers of Canada. I hope this is also made known to the Canadian public so it can be appreciated. The Durum wheat producers in western Canada are not complaining about this sacrifice either. If the world price goes to $6.75, the farmer receives $6.75, the miller pays $5.75 and the government payment drops from $1.75 to $1. So there is a provision reducing the cost to the federal treasury. If the world price were $5, then the farmers would get $5, the millers would pay $5 and the cost to the federal treasury would be nil.

Now we come to the crunch, Madam Speaker, and it is a point about which I want to argue with the minister in charge of the Wheat Board. If at any time between now and the end of July, 1980, a six-year period, the world price of 1 CW Durum, basis Thunder Bay, drops to $2.50, for

example, then the farmer receives, not $5.75 but $3.25, the miller pays $3.25 and the cost to the national treasury is nil. But in that instance the farmer has lost $2.50 on the floor price that was in effect, and would continue to lose it so long as the world price for 1 CW Durum remained that low. In other words, in reality the floor price for both hard wheat and Durum is $3.25, although when one looks at the legislation it looks as though the floor price of Durum is $5.75. But it is a mythical floor because once Durum drops below $5.75 a bushel, the floor price drops with it down to $3.25.

I must say I do not understand the reasoning for this. With only the odd exception in a crop year over the last 12 or 15 years or so, Durum has always been of higher value than hard wheat, costing anywhere from 25 cents to $3 more per bushel. I do not know why the minister insists on having a $3.25 floor for both Durum and hard wheat when this has not been the practice or the history in the past. I hope the minister will bring in an amendment of his own in committee which will provide that there be a higher floor for Durum than for hard wheat. If he does not want to stick with the $5.75, we can always argue what is appropriate; but I think it is appropriate that there be a higher floor for Durum than for hard wheat.

We may never have to use it, Madam Speaker. If world prices stay up during the six years, we will never have to use it. But in case the world price for Durum does drop drastically between now and 1980, and if the economists who are predicting a depression are right, then we should be prepared for it. I contend the minister would be well advised to bring in an amendment to the legislation providing for a higher floor price for Durum in the event of a drastic drop in the world price.

In regard to both the direct and indirect subsidy to the consumers of bread, I think it is incumbent upon the minister in charge of the Wheat Board, the Minister of Agriculture and the Minister of Consumer and Corporate Affairs (Mr. Ouellet), to get together and see to it that we do a much more accurate job of monitoring the subsidies and of ascertaining whether or not they do reach the consumer. This matter was raised during the question period today with both the Minister of Agriculture and the Minister of Consumer and Corporate Affairs, and I do not think it is by any means settled.

In my opinion, the subsidy on powdered skim milk is not being passed on to the consumer, and has not been passed on in the past year or so. Mrs. Plumptre says that it has not been passed on, and the Retail Council of Canada admits it. In fact, they have told their members that they have no obligation to pass it on. Surely the minister in charge of the Canadian Wheat Board, and the Minister of Agriculture, are not going to allow themselves to be "had" in that manner. It is time for them to get tough. I know they are both tough people, and when the going gets tough it is time for tough people to get going.

Mr. Whelan: You have been reading my speech.

Mr. Benjamin: I am sorry, but I have not read the minister's speech. Incidentally, that phrase is one that Woodrow Lloyd used for years. As far as government monetary intervention in the economy is concerned, unless and until we have proper monitoring through legislative authority, and the will to enforce that authority to ensure that monetary intervention by the national government does reach the consumer, the situation will not be satisfactory. If we do not do that, all we will have done is fatten the pocket-books of those who do not need it. We will have helped neither the farmer nor the consumer.

● (1540)

It is a "must" that the benefits of this monitoring and these rigorous requirements are reaped by the consumers. If the minister in charge of the Wheat Board fails to accede to that suggestion in respect of the price of bread, flour and pastries, then I submit there will be a misuse of public funds. I hope the Minister of Agriculture, in the areas in which he is responsible and in which there is monetary intervention by his department in respect of various agricultural products, will see to it that these subsidies reach the consumer.

We are not interested in the arguments or any warfare that is going on between the Minsiter of Agriculture and the Minister of Consumer and Corporate Affairs. Let them have all the arguments they want. But when they are through, I hope there is a co-operative effort by the departments concerned, and the Food Prices Review Board, with effective machinery put into place quickly not only to ensure but to require that these subsidies reach the consumer. Otherwise, this is nothing but an exercise in futility.

I wish to repeat my main argument and contention to the minister, reminding him again of the loss of $2.50 in the floor price for 1 CW Durum in the event there is a drop in the world market. I plead with the minister to take this into account. I hope he will have the opportunity to comment on this question later today. Failing that, I hope he will at least bring in an appropriate amendment when the bill reaches committee. I am pleased to say that we support in principle this legislation.

Mr. Arnold Malone (Battle River): Madam Speaker, in order to speak to this bill one certainly needs to have a forked tongue, as there are in this bill principles with which one can agree, but many shortcomings which leave a great deal to be desired. When the minister introduced the bill, he suggested that it envisaged a two-price system for grain and wheat. The fact is, that is simply not the case. First of all, it does not apply to all grains, and it really does not apply to all wheats. It refers to those wheats which are sold for use and consumption in Canada. Obviously, this means it applies to those wheats that are used for the milling of such commodities as macaroni, bread and pastries. That constitutes about 10 per cent of the grain consumed in Canada. This means that we are talking about a two-price system for 10 per cent of Canadian milling wheat. That, of course, is not a two-price system and falls far short of what the minister suggested.

More importantly, while it is assumed to be a bill—as the minister mentioned—that will offer a subsidy to the consumer, in fact it will not do that either. The fact is that the cost of wheat has very little to do with the cost of bread. When we consider what is comprised in the cost of bread, we all know that wheat must go through the milling, baking, packaging and marketing processes before it reaches the kitchen. Of every $1 we spend on bread in

supermarkets, the wheat farmer receives about 15 cents. This means that on a hypothetical 25-cent loaf, the farmer receives about 3½ cents. Therefore, if the farmer were giving his wheat away, it would still cost us 21½ cents for that loaf of bread. Controlling the price of wheat will have almost nothing to do with subsidizing the consumer because that is not where control is required. Control in respect of bread prices must really relate to all other processes; it must relate to labour, baking, transportation and, finally, the supermarkets and their profit.

While I commend the minister for his intention to introduce a two-price system, this bill falls far short of the objective he outlined in support of it. I should also like to comment on the floor price of $5 starting in 1974 and continuing to 1980. The unfortunate situation is that this puts the farmer into a six-year period during which the government establishes what the price will be. I cannot think of anything more frightening or dangerous to the farming community or the producer of food than such an established rate being written into the legislation.

We have all witnessed what has happened in the oil industry in the past few years, with the tremendous increases that have taken place in the price of a barrel of crude oil. When we look at the indicators on the international scene, which can reflect on the price of grain, we see many things which indicate that the price of wheat will in fact increase. Let us look at some of the indicators which show that grain will go up in price. First of all, if we were, hypothetically, to divide all the food of the world among all people, we would find there would be barely enough carbohydrates to go around, and not enough protein. That is the situation at the present time. With the increase in world population, this means we will be falling increasingly further behind in meeting this need.

Let us take India as an example. In that country there are some 77 million more human mouths to feed each year. That is four times the present population of Canada. We must remember that figure in light of the fact that at the present time Canada is expecting a decrease in its grain yield, the United States will have something less than a quarter of its corn production, and the Soviet Union is barely holding its own. We are looking at something like 30 million tons of cereal grain less on the world market this year, so the situation is extremely critical.

Let us couple that situation with the fact that, with the shortage of petroleum and its very high cost, the production of nitrogen fertilizer is very much restricted. This means that we will have more people in need of more food. With all the inputs, including inflation and the cost of farm machinery, this means the price of wheat on the international market is bound to go up. Then we look at this bill and see that it locks in, for a period of six years, the price of wheat to be sold in Canada. If I were a grain producer in Canada today, I would be extremely concerned because unless there is an amendment to this legislation, this means a six-year freeze on the wheat producing people. I would simply ask, who would accept a six-year freeze on any other industry? Certainly the banker would not accept that his interest rates be fixed for six years. Farm machinery producers would not accept that their prices be fixed for six years. Those who produce the tires, chemicals and other things required in agriculture would not accept a six-year freeze.

It is crucially important that this bill be amended so that there is some kind of relationship between the payments and the cost of production. If there is no such relationship, I think this is a tremendous insult to the producer of food. There is, in fact, nothing that is more important in the world today than giving a feeling of professionalism and encouragement to those who produce food at an ever increasing rate.

There is one other aspect of this bill that I think must be taken into account, and that is the following statement on page 3:

—this act together with interest thereon at a rate per annum fixed by order of the Minister of Finance for the period commencing with the first day after the end of the month—

First of all, this means that the farmer is, by a two-price system, really getting his money, not in terms of a subsidy but in two payments. It is his money, and this just means he gets his second payment later. The fact that it is his money means it is on loan to the government. I think it is important, then, that he not be treated as he has traditionally and given an insignificant amount of interest for that money, but that he be given interest at the regular lending rate. Why should farmers support the federal government, which should at least be able to pay lending rates for money?

● (1550)

The other thing I question is—again, I think it is an insult to those who want to see a professional approach to agriculture—why we are waiting 30 days? The fact is that on a fairly major shipment of grain, 30 days could add up to a considerable sum in interest. Also, I think it is important to note that here again, if you were to borrow money from a bank for 30 days; you would have to pay for that money from the very beginning. This should apply in all cases. Calculations do not start on the first day of the following month, because this would mean that those who sold on the 1st or the 2nd of the month would have given up that payment for a full 30 days before interest began.

It is obvious, then, that if we want to create an environment in which we encourage the producers of grain to produce much more extensively than in the past, they must receive proper rewards for their efforts. If we are to meet the food shortages that exist in the world, then obviously producers of grain should be given the kind of rewards that match those of any other industry. I say that the bill before us does not treat agriculture as an industry, but as something that is subservient to the rest of society, inasmuch as the interest rates are not to be as high or given as freely, and there is no real relationship between the cost of production of grain and the amount which the farmer receives.

We might stay on that subject for just a moment. I should like to point out that very recently this House considered legislation dealing with the west coast grain handlers strike. At that time, the principal argument of the government was that the west coast grain handlers should have parity with the longshoremen working on the same docks. May I ask that if the government accepts that argument, then why not accept a similar argument for

agriculture? Why is it that the farmer who takes financial risks on his investment, who gambles with weather, who gambles with pests and insects, and who gambles with fluctuating markets, is not given some kind of guarantee that would be equal to the one given to an unskilled worker who simply unloads ships? Why are producers not given cost of living adjustments, as were the grain handlers who were working next to the longshoremen? If we are to give parity to those who unload grain, then let us lock in some kind of guarantee for those who assume all the responsibility for the production of grain.

So although in principle I agree with the notion of a two-price grain system, I will summarize by saying, first of all, that this is not a two-price system for wheat because it does not affect all the wheat that will be used in this country. Second, it is not really a valid two-price system because it bears no relation to the cost of production. Also, it is an insult to the agricultural industry because the bill does not provide a guarantee to pay a proper interest rate from the moment at which the farmer has loaned his money. So on those points I suggest that, while we can certainly accept the notion of a two-price wheat system, it needs the characteristics that I have outlined before this legislation can become acceptable not only to ourselves but to the farmers; the producers of cereal grains, which are so badly needed in a hungry world.

Mr. Doug Neil (Moose Jaw): Madam Speaker, as a member representing a large wheat producing area in Saskatchewan, I am pleased to participate in this debate. Farming is one of the most important industries in our country and it is becoming more and more important because of the demand for food in the world today. We have an increasing world population, and we have famine around the world. I read in an editorial of today's issue of the *Globe and Mail* that in Bangladesh between 70,000 and 80,000 deaths from hunger are already reported in the Rangpur district. The report goes on to say that the most conservative estimates by foreign diplomats foresee at least one million deaths from famine as an aftermath of this year's floods. The United Nations Food and Agriculture Organization considers 32 countries, with a total population of 700 million, threatened by starvation this year. This is why food production is important.

We have reduced production on the prairies this year. In the spring we were faced with flooding, which resulted in late seeding. During the summer we had an extremely dry season, and we had an infestation of grasshoppers which we were unable to control with the chemicals available to farmers. It appears that we may have a severe infestation of grasshoppers next year, which again will curtail production. We had a wet fall, and a very early frost, which resulted in low yields and very low grades. So it is very important that we develop our agricultural industry.

It was indicated in the Speech from the Throne that a number of bills relating to agriculture would be presented before this session is over. The bill with which we are dealing today, Bill C-19, is one such bill. Reports that have come in from Edmonton from the Canada Grains Council meeting on Monday indicate that perhaps legislation dealing with the reduction of the Crownest pass freight rates will be coming before us very shortly. It would appear that the minister in charge of the Canadian Wheat Board

wishes to do away with this concession to the western grain producers. I gather from newspaper reports that he suggests that the Crownest pass freight rates are unfair to the railways. When I read the report, I wondered whether the minister had studied the history of the Crowsnest pass freight rates. Originally the rates were not a concession to the prairie farmers; they arose as the result of an agreement or contract between the government of Canada and CPR.

Mr. Lang: Madam Speaker, may I rise on a point of order? I am sure that in due course we will all want to have a discussion on the very important matter of the Crowsnest pass freight rates and the benefits which they provide to the prairie provinces; but it does not seem to me that this subject has any relationship to the bill before us. I wonder if the hon. member would assist us in getting this bill through to committee, so that we can help prairie producers in this way. Then we could get on to the next bill as soon as possible.

Some hon. Members: Hear, hear!

Mr. Neil: Madam Speaker, there are mills on the west coast as well as in the east, and the Crowsnest pass freight rates have to do with mills on the west coast. Therefore, I feel they have a certain bearing on the bill in question. But I will be very brief in my comments regarding them, and then I will go on to the bill.

● (1600)

I should like to point out that the contract between the government of Canada and the Canadian Pacific Railway gave to the railway, among other things, a monopoly on rail traffic in Alberta south of the city of Calgary. It approved the purchase by the Canadian Pacific Railway of the B.C. Southern Railway and the Columbia Western system, including 270,000 acres of land and a smelter at Trail, B.C., at a cost of $800,000. By grants, options and other means, the CPR acquired some 3,350,000 acres of land with mineral rights, and six square miles of valuable coal land near the Crowsnest pass. As far as the Crowsnest pass freight rates are concerned, they are not a concession to the western farmer; they were a contract entered into between the government of Canada and the Canadian Pacific Railway.

Lest I be accused of digressing, as I already have been, Madam Speaker, I will move back to discussion of Bill C-19. What is the effect of this legislation? The bill deals with both Canada Red Spring wheat and Durum wheat used for domestic consumption. Under the bill, the millers of Canada pay $3.25 per bushel for No. 1 Canada Red Spring wheat of 13.5 per cent protein, basis Thunder Bay. If the world price exceeds $3.25 per bushel, then the treasury—by that I mean the government of Canada, with the taxpayers' money—pays the difference between the $3.25 and the $5. If the world price exceeds $5 a bushel, as it has and as it is likely to remain for the foreseeable future, then the producer subsidizes the consumer for the excess.

In other words, if the world wheat price is in the neighbourhood of $6 a bushel, as it is today, the producer is subsidizing the consumer of Canada by approximately $1 per bushel, and as the price goes up so does the subsidy by

the producer. The program for Durum wheat is similar, except that the base price is $5.75, with the treasury paying the difference between that and the maximum of $7.50 per bushel. Again, if the price of wheat on the world market exceeds $7.50 a bushel, the producer subsidizes the consumer for the excess.

I will say, Madam Speaker, that the bill is an improvement over the previous arrangement. Originally, the two-price system was an acreage payment and was paid no matter whether or not the farmer produced a bushel of wheat. He could have produced feed grains, forage crops—anything—but as long as he had acreage under cultivation he received an acreage payment. I recall speaking to a farmer who had retired and had rented his land in the fall to someone who had never farmed. The tenant applied for a permit book at the beginning of November and moved on to the farm. Under the two-price system he received an acreage payment in the spring of the year—before he had ever planted or produced a bushel of wheat. So I say, again, that this legislation is an improvement over the program we had in the past.

The situation with respect to special permit holders was also a mess. These were the people who had produced wheat for a number of years and then sold their farms but had grain on hand to dispose of. They could sell it by special permit. After waiting a year and a half, the two-price payment to these special permit holders was recently made. It was a real mess. Some 9,586 producers were entitled to payment, and the cheques to the special permit holders were mailed out just prior to July 8 this year. That made 9,586 people relatively happy. Whether the mailing date had some bearing on the election, I do not know; but it has been common practice over the years in Saskatchewan that prior to a federal election the farmers have received a payment of some kind—an acreage payment, a dry-out bonus, or something. That has been the history of the party on the opposite side of the House.

But what happened in this case? A week after the election, 7,529 recipients of those cheques received letters telling them that they had been overpaid, and demanding a refund. In some cases, up to 80 per cent was demanded. The minister claims the computer made a mistake, but it seems to me it was a deliberate Liberal mistake.

Madam Speaker, my party agrees with the principle of this bill, but it still requires improvement. The hon. member for Vegreville (Mr. Mazankowski), the hon. member for Red Deer (Mr. Towers), and several others, have suggested an amendment to index the initial and top price. I agree with this suggestion, and unless the minister brings in such an amendment in committee it is the intention of this party to do so.

I have two further comments with respect to the bill. In the interpretation section, a producer is described as a person actually engaged in the production of wheat. I feel this is unfair. There are many farmers in Saskatchewan of retirement age who have rented their farms and are dependent upon the rental income. It seems to me that the interpretation of "producer" should be widened to include the landlord as well as the tenant. I brought this matter to the attention of the minister this spring in connection with payments under the two-price system, and he looked at it with a certain amount of sympathy in committee. But I note this matter was not taken into consideration when the bill was drafted.

Another thing that concerns me is the method of payment under the two-price system. I had occasion to question the minister in charge of the Canadian Wheat Board, in the miscellaneous estimates committee on Wednesday, October 16. From this it was determined that payments will be made only to producers of No. 1 Canadian Red Spring wheat. Madam Speaker, there is not very much No. 1 Canadian Red Spring wheat produced in the province of Saskatchewan, or in any of the prairie provinces, for that matter. It is restricted to certain areas which vary from year to year.

This means that conceivably when the price of No. 1 wheat on the world market exceeds $5 in the case of Canadian Red Spring wheat, or $7.50 per bushel in the case of Durum wheat, it will be the restricted group of producers of that particular grain who will lose the difference, which presently is approximately $1 per bushel. In other words, when the price goes to $5, the subsidy to the consumer is not made by all grain producers in the prairies but only by those who produce No. 1 Canadian Red Spring wheat. On the other hand, if the price of wheat sinks to $3.25 a bushel or below, the price to the producer will be guaranteed, at $3.25 per bushel.

● (1610)

Does the minister not realize that when world prices are above the limits set in the bill these producers will be subsidizing the consumer, and when world prices are below the limits many farmers will not benefit from the guaranteed price of $3.25 a bushel? Wheat is produced in different areas from time to time. Production of milling wheat varies with climatic conditions. Some grain farmers may retire or go into other types of farming, such as livestock production, and will not benefit. This question should be looked into, as there may be some unfairness with regard to the manner in which payments are made under the system.

To sum up, we began with acreage payments under a two-price system, under which money was paid to farmers no matter what they produced. The pendulum has swung and we are adopting a new two-price system. Money passed in the 1974-75 estimates will go into the Canadian Wheat Board pool and be spread evenly among all producers of wheat. The pendulum has swung again and payment of a subsidy is to be restricted to producers of No. 1 Canadian Red Spring wheat. I will not belabour the point. We must have full discussion in committee on this bill. I hope the minister in charge of the Wheat Board will consider my comments and the comments of my colleagues and will, in committee, bring forward amendments which will make this bill beneficial and operative.

Mr. Ralph E. Goodale (Assiniboia): Mr. Speaker, my constituency in western Canada relies heavily on the grain farmer and on the wheat farmer in particular. The legislation before us is especially significant for those of us who represent areas like mine. That is why I am pleased to have the opportunity to participate in this debate. I am also pleased because of the nature of this legislation. The present debate is most important and we

are witnessing a truly historic moment as we deliberate upon this measure.

Today we are moving toward the enshrinement in legislation of a fundamental measure which westerners of all stripes, political and otherwise, have talked about, sought and worked for over many years. The two-price wheat program has been called for, from time to time, by almost all political parties of any standing in western Canada. The question has been raised by farm spokesmen and farm organizations. Now, two-price wheat will become reality, with the co-operation of this House, and will be enshrined in the statute books of Canada. This is indeed a great day for the western grain producer.

Let me comment briefly on remarks made by other hon. members participating in this debate. Yesterday evening, when the minister introduced this legislation, he recited the historical background which has brought us to the present measure. He outlined adequately the mechanics of the legislation, and I need not repeat what he said. Let me comment, however, on a remark made earlier today by the hon. member for Battle River (Mr. Malone) who complained that this law will not introduce a true two-price system because it affects only domestic wheat for human consumption. Clearly, the intention of a two-price system is to do just that—to separate domestic and export wheat. We have talked about this for the past 30 years. One price is charged on the export market, and another on the domestic market.

An added feature of this legislation is the provision for a consumer subsidy. The treasury—ultimately the taxpayers of all Canada—will subsidize the consumer under this two-price system. Hence, when hon. members criticize this program and suggest it really does not involve a two-price system, I do not think they are being accurate. There has been much comment here today, and last night, concerning the cost of production. I sympathize here with hon. members; many of their points are valid. The cost of production relating to the producer of western Canada is a serious factor indeed. It is one which members of this House must consider carefully and deal with in due course.

We must bear several things in mind, however, when we talk about production costs being a factor in the two-price system. First, I suggest that members are inaccurate in suggesting that this bill constitutes a price freeze. I suggest that the bill provides, not for a freeze but for a broad, guaranteed range of prices. I say that because it guarantees a floor price for wheat, just as much as it does a ceiling.

Not even the most optimistic will suggest that during the next five or six years we can always expect to maintain present price levels. I know we all hope that we are beyond the days when wheat sold for $2, $1.98, $1.95, $1.50, or less. Nevertheless, we must be prepared in case the price falls. That is why this legislation is important, as it guarantees the domestic floor price for the next six years at least at $3.25. It is particularly significant to note that price. Until just a few months ago, when conditions in the world market changed, this price was beyond our wildest dreams. Yet the government is guaranteeing this price for about the next seven years: it is guaranteeing it as a floor. That makes the range we are considering very significant and important.

[Mr. Goodale.]

The new floor price adequately and fairly reflects the situation we are witnessing today on world grain markets. Projections show that between now and 1980 there will be at least one—perhaps more—downturn in grain prices. On the basis of odds alone, let alone economic projections, we can look forward, unhappily, to at least one downturn in the grain market. Therefore, a floor price is an important feature. That distinguishes this measure from one imposing a freeze, something which might have adverse effects, considering the cost of production. In short, this bill guarantees the farmer a certain price range, and a fair one.

Secondly, on this matter of taking into consideration the costs of production, if conditions change drastically, as well they may, between now and 1980, if there is a downturn in the grain market—as grain producers of western Canada realize might happen—the figure provided for in the bill can be changed by this House to keep it in line with real circumstances. My third, and most important, point concerning the cost of production is this. It has been argued that this legislation should reflect specifically costs of production. I think that kind of suggestion is somewhat inappropriate in a discussion on a two-price system for wheat.

I ask hon. members to remember this government's commitment to an over-all western grains income stabilization program. That kind of concept is not particularly new to this House. It is a firm commitment of this government that we will be proceeding with that particular legislation as quickly as possible. Indeed, a week or so ago the minister indicated to the Standing Committee on Agriculture that he hoped to have that legislation ready for introduction within perhaps a week or so now. That is very significant. We look forward to that kind of legislation. Perhaps it is a more appropriate vehicle for trying to deal with the important question of the cost of production.

● (1620)

The stabilization plan for western grain incomes, as we have heard from public pronouncements, will have a voluntary feature. This is very important. As well, it will be based, not upon gross grain receipts but net cash flow. That is a very significant distinction. It means the stabilization plan will have that essential link to the cost of production. The plan will not only become operative when markets or prices fall, but when costs squeeze up from the bottom and pinch the grain producer's profit margin.

I can understand the concern of members opposite about this cost of production factor: it is important. But I believe stabilization programs are a more important and a more effective vehicle for dealing with this problem. We have the assurance there will be legislation to confront the problem head-on. Probably that was the most significant comment by members opposite with regard to this legislation. Otherwise, I find that the sentiments of most members opposite are in support of the proposal put forward by the minister in this legislation.

There were comments which may have been a little off the point but nonetheless were "pointed". They concerned other factors that may, by one means or another, affect the western grain producer. There were some comments about the Crowsnest rates. The minister commented on this question in a recent speech in Edmonton. Members oppo-

site have talked about the "destruction", "removal" or "abolition" of the benefit of the Crowsnest rates. It is important to consider what the minister said both in Edmonton and in this House with regard to questions on that point. He said the benefits of the Crow rates must be, and will be, preserved. He stated it is his intention to see they are preserved in statutory form. That is the essential point.

There is no question that the benefit of the Crow rates are to be preserved for western grain producers. That is clear. It is a fact that they will be preserved. The issue is how best to do it. Do we serve the interests of the prairie grain producers best by putting money into the coffers of the railway companies so they can spend it on industrial centres in Toronto, Halifax and elsewhere? If we want to give a benefit to the western grain producer, surely there is a more direct way of doing it. That is the question we have to face. We do not have all the answers at this stage.

It is crucial to the future interests of western grain producers that we examine where the real costs and benefits are and ensure they receive the maximum of those benefits. That is what the minister said, and that is the direction in which we should move. We should not be afraid of a bogeyman coming up at one point or another in the examination. If we are to assure the future of western agriculture, we must be prepared to examine the situation.

Finally, I wish to make a brief comment on the remarks of the hon. member for Moose Jaw (Mr. Neil). He spoke about cheques being mailed in late May and early June in connection with the old two-price wheat program, and the cheques sent to special permit holders. There was some suggestion that that was an election plot of sorts. I had direct experience in that matter. My constituency was probably as much affected as his. The farmers in my area who were eligible for the payment received their cheques in the last week of May or the first week of June. They received a letter indicating a computer error with the cheques in the mail between the middle and the end of June, prior to the election.

Mr. Neil: Not in my constituency.

Mr. Goodale: They did in mine, and the results were rather satisfactory.

Mr. Frank Hamilton (Swift Current-Maple Creek): Madam Speaker, Bill C-19 makes law what has been accepted for the past year. It is just one more factor in an already overcomplicated grain industry. The tangle in the two-price payment for special permit holders brought literally dozens of letters from my area. It is something people just do not understand. What is desperately needed in our grain industry is confidence, not something to add to the confusion. The minister said this bill will enshrine the two-price system for seven years. That is a long time. As my colleagues have pointed out, consideration must be given to indexing.

The hon. member for Moose Jaw (Mr. Neil) talked about a small group of producers who will carry the whole load of subsidizing the bread consumers of this country. It is the producers who deliver the high quality milling wheat, 1 CW Red Spring, 13.5 per cent. The subsidy these producers are now carrying is over $1 a bushel. This year the load will fall on producers in southern Alberta and southwestern Saskatchewan, the only producers of high quality milling wheat to escape the frost. I do not remember a more mixed up crop as far as quality is concerned. Milling wheat is being bought and used for livestock feed and our overseas customers are becoming nervous. There is one man on the grain commission in Winnipeg who is responsible for over-all quality control. He is the chief chemist. If there has ever been a year when he is desperately needed at his desk in Winnipeg, it is this year. However, he and his family are in Quebec City on an extended French course.

The mess in which the cattle industry finds itself can be traced back to the grain conditions of a few years ago. There was no confidence in the industry. The minister and his advisers continually look backward. What we need is someone in the industry and someone in the government who will look ahead for a change. The whole idea of this legislation is to ensure that the price of bread in Canada will be lower than it would be otherwise. The minister spoke about a saving of five or six cents a loaf. My arithmetic does not confirm those figures. It is my understanding that it is possible to bake between 65 and 70 one-pound loaves from a bushel of wheat. The miller now pays $3.25 at Thunder Bay for a 60-pound bushel of wheat. This works out to 5½ cents a pound for wheat. Just over half a pound of wheat is used in a loaf. Therefore, there is not much more than three cents worth of wheat in a loaf at the present time. The government subsidy of $1.75 cannot account for more than 2½ cents a loaf. I question the need for this type of legislation, which could cost the taxpayers $60 million and the producers of high quality wheat $40 million for the 50 or 60 million bushels which will be used domestically.

● (1630)

I was surprised when the hon. member for Regina-Lake Centre (Mr. Benjamin) suggested there was only one floor price for milling wheat and Durum wheat. I understand from my reading of the bill that there are two—$3.25 for milling wheat and $5.75 for Durum wheat. I wish the minister would confirm this. I realize the hon. member for Regina-Lake Centre may have been a little unnerved, since the Prime Minister (Mr. Trudeau) indicated some time ago he was at the top of a very short list in Saskatchewan.

I want to take issue with the statement made that this legislation implements a two-price system for wheat. Consider one grade of wheat, the top grade milling wheat known as 1 CW. Right now, the producer receives $2.25 a bushel at Thunder Bay through the Canadian Wheat Board. This means that 1 CW returns to the producer in my area about $2.04 a bushel, if he is lucky enough to have that grade. The miller pays $3.25 a bushel for 1 CW at Thunder Bay. It sells on the open market for $3.83 or thereabouts. The same grade is quoted at over $6 a bushel for export. Under our two-price system, 1 CW returns $5 in total to the producer. It will return about $5.50 if it is sold through the Wheat Board on the export market.

This maze of prices really has producers confused. I quote from the Alberta Grain Commission's report on feed grain prices, dated October 25, 1974, to give an idea of the range of wheat prices: Lethbridge, $3.25 to $3.60 a bushel;

Medicine Hat, $3.15 to $3.40; Calgary, $3 to $4; Red Deer, $3.25 to $3.50; in the Edmonton area, up to $3.95 a bushel. It is a tragedy to see, especially this year, with the frozen crop, milling wheat going into the livestock feed market of Canada.

I have another comment on the confusion which exists in the industry. We know that the grain inspectors on the Pacific seaboard were off the job a couple of days ago; they were back at work today. Loading at Vancouver is still not up to par. On October 21, 471 cars were unloaded, for a total of just over a million bushels. They should be handling between 600 and 700 cars. October 22 was a better day; 588 cars were unloaded, totalling 1,274,000 bushels. I am in agreement with the hon. member for Moose Jaw: the minister certainly failed to instil any confidence in the grain industry when he mentioned in his speech that there might be some moderation of Crowsnest rates. The president of the Saskatchewan Wheat Pool, commenting on the statement made by the Minister of Labour (Mr. Munro) in connection with the Vancouver situation, concluded by saying:

> The statement should have come from the Prime Minister, not a minister. The fact that a dispute between 520 grain workers and companies which represent 200,000 farmers should lead to a possible nationalization of our grain handling system is almost humorous if it were not so sad.

I like the statement made by the Minister of Agriculture (Mr. Whelan). I quote from a publication of the Saskatchewan Wheat Pool:

> Mr. Whelan told a food prices forum we simply will not have any farmers or any food produced here in Canada unless and until farmers begin to get better treatment in our society and our economy. He pointed out that if farmers get a better deal it will be consumers who will reap the real, long-term benefits.

What we need in the grain industry and in the agriculture industry generally is a dramatic new concept. It takes farmers a long time to own the land they work. Ownership of the land constitutes, in effect, their retirement plan. I do not understand why we cannot allow farmers to register their land as a retirement savings plan, take a few thousand dollars before taxation and allow them to put it into their land, rather than obliging them to turn to a trust company for a registered retirement plan and seeing their money leave the district. Such a scheme as I have suggested would encourage young people to make a start in agriculture. There is nothing wrong with starting small, but it is difficult to start small today because the Farm Credit Corporation does not recognize small units; they must be going concerns. I support the bill in principle but I hope it will be amended in some respects in committee.

Mr. J. H. Horner (Crowfoot): Madam Speaker, in considering Bill C-19 one has to study the concept and the purpose of the bill and ascertain whether its objectives, or intent, will actually be accomplished. In the committee dealing with the main estimates it became abundantly clear that the purpose of this bill was to bring about lower food costs for consumers in Canada. The minister said that when the world price rose above $1.95 and continued to rise, the government became concerned. When it became clear it would go to about $3.25, the price to the Canadian miller was frozen at that figure. Ministers opposite have told the country and this House, through answers to questions, that the additional $1.75 will go to the wheat farmer

in the final pool payment; that is, for hard spring wheat. For Durum wheat the average is $5.75 and the final payment of $1.75 makes it $7.50.

The point I wished to establish through my questioning was that all political parties have advocated a two-price system from time to time. It is nothing new. Under the leadership of my right hon. friend from Prince Albert (Mr. Diefenbaker) when he was prime minister we introduced what was, in effect, a two-price system on an acreage basis. The concept has stood up well. But in those days the price for which the Canadian farmer was obliged to sell his wheat was unreasonably low, and the two-price system was designed substantially to increase the payment farmers would receive for wheat consumed in Canada. Farmers had to produce in an environment where the cost of production was high, and they sold it abroad at what was considered to be far too low a price, one which did not cover the cost of production.

● (1640)

Many parties have advocated a two-price system involving a higher price for wheat for Canadian consumption paid to the farmer over and above that paid for the same wheat internationally. Here we have a bill that firmly establishes a two-price system. Members of the government will throw out their chests and say that they are putting this system into permanent legislation. They will say, "Everyone has been advocating a two-price system, but we are the good guys who are putting it into legislation".

Let us look closely at what the government is in fact doing. The government is not establishing a two-price system that is going to bring the farmers more money. The minister himself answered this question in committee. I asked him how much, in ball-park figures, the farmers had lost so far under the system, but he hated to say. So I put it another way. I asked him how much the western farmers have subsidized Canadian consumers, per bushel, under this system so far, and he said it was hard to derive a figure because the price of wheat fluctuated a little every day. However, with a little bit of coaxing the minister arrived at the conclusion that under this legislation the Canadian farmer had already subsidized the Canadian consumer by 25 cents a bushel.

Knowing the minister in charge of the Wheat Board as I do, that figure is very low. I asked him for a ball-park figure, and that is the figure he gave. Obviously, he is used to hitting Texas leaguers; certainly he has not hit many home runs if these are the kind of figures he wants to play with. I say that the Canadian farmer is subsidizing the Canadian consumer under this legislation today by at least 50 cents a bushel. If the minister will readily admit to 25 cents, then anyone who knows politics can safely double that figure, which is a little on the conservative side.

Mr. Benjamin: It is $1 right now.

Mr. Horner: The hon. member for Regina-Lake Centre (Mr. Benjamin) is absolutely correct. Right now, the international price at Vancouver is over $1 more than the farmer will receive for wheat consumed in Canada, under this legislation. If we are talking about 60 million bushels,

this subsidy amounts to more than $60 million. Certainly to this date the Canadian farmer has already subsidized the Canadian consumer, on the wheat consumed in Canada, by 50 cents a bushel.

The basic purpose of this legislation is to lower food costs to the consumer, not necessarily to protect the farmer. During the committee study the minister admitted that as the price of wheat went up, the government introduced a freeze because it was afraid that the price would go too high. The price did go too high, but since the price was frozen the consumers were saved from paying that high price.

The hon. member for Regina-Lake Centre is quite right in suggesting that under Bill C-19 there is only one floor. There is a suggested floor price for Durum wheat, though $3.25 is basically the floor price for both wheats. The point I want to make is that the government is saying that so long as the price of Durum wheat stays above $5.75, this is what we will charge Canadian millers; but as soon as it goes below $5.75 on the international market, down will go this supposed floor to the Canadian farmer, to $3.25. So what we have here for one particular brand of wheat is a floating floor; as long as the international price is well above $5.75, the floor will not go down.

The minister says that we can rest assured that the floor of $3.25 will be guaranteed for a seven-year period. It does not seem to be such a great guarantee for the Durum wheat producer, so why should our farmers believe it is a floor for hard spring wheat producers when the real purpose of the bill is to lower the cost to the consumer? The purpose of the bill is not to bring about a base price for wheat so as to encourage farmers to continue to produce and to meet their cost of production; the purpose is to lower food costs.

If the price of wheat goes below $3.25 on the international market, it would be both folly and negligence on Mrs. Plumptre's part if she did not complain long and loud that the Canadian consumer was paying too much for bread. She has been a rather effective voice. All of a sudden the Minister of Justice might find himself occupied solely with the law as his arm of responsibility because he has neglected to protect the Canadian farmer through this deal that he suggests the bill establishes.

The minister has suggested that $3.25 is a good price, that it is above cost of production. When someone talks about a certain price being above cost of production in today's world, the immediate question that comes to mind is, when? Was it above cost of production yesterday, the day before yesterday, or a year ago? Will it be above cost of production tomorrow, the day after tomorrow, two years from now, or at the end of this seven-year period? Any member of this House who would guarantee that $3.25 will be above cost of production at the end of the seven-year period referred to in this bill would be quite foolish. When anyone tried to forecast the weather in my part of the country, they were described as being either a fool or a stranger. No member should be a stranger in this House now, particularly when dealing with the subject of wheat. No member should be a stranger in the House, particularly when dealing with the subject of inflation and the way goods have risen in price during the past year.

Many members who have spoken in this debate have laid stress on the rapid rise in cost of production due to cost of fertilizer, wheat sprays, farm labour and farm machinery. Some increases have been as much as 300 per cent during the past year. If this state of affairs continues, although $3.25 a bushel may have been above cost of production this year or last year, it may not be above the cost of production in the years ahead. I can see problems ahead for Canadian farmers in terms of increased costs over and above those that have already taken place for such things as fertilizer, crop sprays, labour, machinery, twine, and so on.

What else lies ahead for the farmer in the line of increased costs? If one listens carefully to what the minister in charge of the Canadian Wheat Board is saying across the country, one can well see increased trucking costs ahead for Canadian farmers in getting their wheat to Canadian millers. I do not know how many members of this House have ever trucked grain, but it is a heavy commodity, rather stable on the truck but pretty rough on tires if you truck it any distance at all, particularly in the summertime when the tires tend to get hot. There is an increase in cost which may well be ahead if the Minister of Justice (Mr. Lang) has his way.

I can see other increases in costs ahead, too. The producer will require greater and greater capitalization. There is no doubt that if you have to truck grain greater distances, you are going to require bigger trucks. You have to buy bigger machinery all the way along in order to make farming worth while. If you are going to truck your grain 100 miles, you are not going to farm only 100 acres but 1,000 acres, to make it worth while. Therefore, the farmers will have to find huge amounts of capital in the years ahead, whether I like it, whether the Minister of Justice likes it, or whether anybody else likes it—and this will add to the cost of production.

These are increases that I see occurring during the seven-year period referred to in the legislation, and the $3.25 guaranteed floor will not cover those increases at all. The minister may say, "Yes, but the farmers are getting $5". They are getting that $5 now, though they should be getting a lot more. They should be getting $6. If the government wants to lower the price of wheat to the consumer and to keep inflation in check, then that is a political decision. That they are entitled to make. If they want to lower the price of bread, that very stable commodity, that is their prerogative. But why make the farmer subsidize the consumer to the extent of 50 cents a bushel? Right now, he is subsidizing consumers to the extent of about $1 a bushel. Why not take up the whole difference and say we will apply everything above the $3.25 figure to the Canadian producer?

● (1650)

The minister said in committee that the government was giving a guarantee in the event that wheat goes below that price. Any farmer today who puts any faith in that guarantee is either a fool or a stranger—and not one western farmer can be placed in either of those categories. They do not believe in governments, and they do not trust this government in particular. Therefore, they will have no faith at all in the $3.25 floor.

There is another thing that will add to the farmer's costs in the years ahead. Farmers will have to haul grain farther and they will have to build more storage facilities to store additional grain at home. If they produce more, they will haul it farther, using bigger trucks, and they will require more storage facilities at home. Many of the elevator companies will have to face a rationalization period. If the minister has his way, with something like 1,700 miles of railway track abandoned in his province of Saskatchewan—

An hon. Member: He doesn't care.

Mr. Horner: An hon. member says the minister doesn't care. I would like to think that he does, but I wonder how much he cares. In any event, I envisage a great modification and rationalization program being necessary in the grain elevator business. Over 50 per cent of the wheat in the province of Saskatchewan is handled by the Saskatchewan Wheat Pool, which is the farmers' own company, so this really means the money comes out of the farmer's pocket once again. This means an added cost in carrying on the farming operation.

In addition, when one thinks about hauling grain farther, one must think of the roads, and the taxes which farmers have to pay to maintain them. If anyone suggests that $3.25 covers the cost of production today, surely he cannot say that it will cover that cost tomorrow, because nothing lies ahead but increased costs.

A few years ago we heard the oft quoted phrase in the House of Commons "the cost-price squeeze" in relation to farming problems. We then had a period of six to eight months during which international prices actually shot up and went ahead of the increase in the cost of production. A few farmers were able to build up their inventories of new machinery and new equipment to assist them better in the field of agriculture. However, costs are rapidly catching up. The cost of fertilizer is up 300 per cent, the cost of crop sprays is up 300 per cent, and the cost of twine is up 300 per cent. In this context, one wonders what has happened to the price of agricultural commodities. I suggest they have not increased by a comparable amount. Statistics Canada show the index of farm prices of agricultural products for the month of June as being 211, compared to 100 for 1961. In 14 years the price of agricultural commodities has just about doubled, whereas in the last year farm production costs increased threefold. This gives some idea of the rapid increase in the cost of equipment which farmers must use.

Let me make it abundantly clear that the purpose of this bill is to bring about lower food costs for the Canadian consumer. A portion of the subsidy to bring about lower food costs is being paid by the government, which they take out of everyone's pocket, while the other portion is being paid for directly by the farmer. I suggest that the government is wrong in doing this. If it decides that politically it should lower the cost of food, then the cost of that decision should come out of the pockets of all taxpayers. While the farmer loves his brother, the great consumer, he feels no special obligation to work on his behalf. He feels he should pay his taxes and be a good citizen. But if the government makes a political decision, it should not make the farmer pay; all taxpayers should pay.

In view of the fact that according to this bill we are entering a seven-year agreement, let me establish beyond any doubt that the purpose of the bill is to lower food costs; and we do not put any trust in the $3.25 floor price, because it will come down if world prices come down. The situation has ever been thus. This government will find a way to lower it, just as it says it will lower the Durum price from $5.75 to $3.25 as soon as the international price drops below that figure.

Let us compare a similar piece of legislation in the United States. On June 20, 1973, the House of Representatives passed Bill 8860 dealing with a support program in respect of the production of various grains. That bill was not intended to lower food prices but, rather, to create a guarantee so farmers could produce enough grain. In that bill the support price changes; it is indexed to the price paid by farmers for goods and services to produce their products. Interest rates, wages, and so on, determine what that index will be. As the index goes up and as the cost of services farmers have to buy goes up, so the support price goes up. This starts off, in respect of wheat, with a support price of $2.05, to be adjusted each year through 1977.

One can go back and read the committee report to find that it was not a unanimous decision, but it was certainly a decision taken by the committee in respect of support for grain. I see nothing wrong with that indexing principle being adopted by this government in this bill, if the cost of production continues to go up and surpasses the $3.25 figure. I might point out, in respect of the $3.25 figure, that any farmer who happens to be reading today's *Hansard* will wonder about the figure because all he gets when he delivers his grain to the elevator today is about $2 a bushel, depending on the delivery point. We are encouraging him to believe he will receive a final payment. He will this year, but whether he will next year or the year after is difficult to determine. With the increase in the cost of transportation being borne more and more by the farmer, there will be less and less in the kitty for him.

Recently, in western Canada, the minister announced that he was going to do away with the Crowsnest pass rates. What will this mean? Let us take 100 pounds of wheat as an example. That 100 pounds of wheat moves from Regina to Vancouver at something like 26 cents. The comparable rate now used in the United States is in the neighbourhood of 96 cents. If one takes the $2 a bushel the farmer now receives at the delivery point, and chops it down by using the "Otto Lang" freight rate, that pretty well cuts up the $3 figure, without taking into account the other increases in cost of production to which I have referred. Otto has big plans which will increase the cost of production through the movement of grain. He is reluctant to allow this bill to be amended in order that indexing can be applied, allowing the $3.25 figure to go up as the cost of goods and services to the farmers go up. That is being done right now in the United States with regard to a variety of grains. I am only suggesting that it be done with wheat under this bill.

● (1700)

In the United States, Bill 8860 deals with wheat, corn and a number of other commodities. There is nothing new in this idea. I would not want to try to convince the minister that I am advocating anything new. It is a well

established practice in grain producing areas that when you believe it is in the interest of the country to either continue or to increase production, you should at least ensure the farmer an adequate return for that portion of his production which will be used in Canada, because surely we want to make certain that farmers can cover the cost of production. That is all an indexing formula tied to the $3.25 would do.

Let us suppose that the goods and services which farmers buy compare, relatively speaking, to the rate of inflation. If the rate of inflation is 1 per cent a month, 12 per cent a year, why can the $3.25 not go up by 12 per cent next year? If the minister does not want to foist that increase on the consumers, why does he not increase the $1.75 portion that the federal government is paying, by the rate of inflation? If the minister adjusted any one of these two figures he would show the country, and the farmers in particular, that his heart is in the right place and that he understands the problem.

We farmers see one union contract after another being signed with a COLA clause embodied in it. The COLA clause became popular after it appeared in the grain handlers contract. I do not blame them. But if you look at any other negotiations that are taking place anywhere in Canada, you will see that they all ask for a COLA clause. What is a COLA clause? It is a clause that writes into the contract increases according to the rate of inflation. I see the Postmaster General (Mr. Mackasey), who has an understanding of labour contracts, listening. I am glad he is here and I hope he is sympathetic. All I ask is that a similar clause be written into this bill.

Farmers must be assured that subsidization to the consumers of Canada will not necessarily increase, but that the government's share will increase by the rate of inflation. The government has forced that principle upon other workers. It has forced the grain companies to pay it to the grain handlers, and it will probably include it in the contract with the grain inspectors. It is included in nearly every labour contract signed these days, whether it be with the air transport controllers or the Post Office workers.

Here we have a floor price of $3.25 being placed on wheat consumed in Canada, and another $1.75 being paid by the government. Over and above that there is the subsidization by the farmer of the Canadian consumer. So this is broken down into three categories. The purpose of this bill is to maintain a low price for bread in Canada, and I have no quarrel with that principle at all. All I am saying is that, as a farmer, I do not trust the $3.25 floor because it does not cover the cost of production today and it will not tomorrow.

What I am saying is: put a COLA clause into the legislation for the farmers. If the minister does not wish to add a COLA clause or add the cost of inflation to the $3.25, then that is a political decision and I would not blame the government for not wanting to take it. But if he adds it to the $1.75 that is to be paid to farmers whose costs are going up, then I would support it. Should the farmer not be treated in the same way as every other person in Canada, whether he be a unionized worker or a civil servant? Every contract, whether it be with the grain inspectors or the railway workers, will be asking for more wages this winter. The grain handlers got it, and the air terminal workers will be asking for it; so will Post Office workers.

All I am saying is that we should increase either the $3.25 or the $1.75 by the rate of inflation. I think I would prefer having the second figure increased, because then I would not be forcing the consumers of my product to pay more for bread, and I would not be suffering from increased costs of production which the $3.25 will certainly not cover.

I know that the government wants to be better understood on the prairies and better received there. If it wants to show the farmers that its heart is in the right place, let it treat the farmers in the same way as it treated the grain handlers and will treat every other worker, whether or not he is unionized. All the government has to do is add a COLA clause, an indexing system, to this legislation. I am not asking the minister to add an indexing provision to all the grain sold internationally, because that is a decision which farmers must make. If they cannot produce cheaply enough to get their product on to the international market, then perhaps they should not produce, or else we should not allow their costs of production to go up too much. If Canadian consumers should eat bread produced in Canada, there should be a declaration by us to provide enough bread for consumers in Canada. If we make such a declaration, then we should add a COLA clause to this legislation saying that the cost of production will be taken into consideration and an indexing system will be included.

Bill C-19 asks for a seven-year contract. The Postmaster General who is in the House now knows he could not find one labour union in Canada that would sit down at the bargaining table and sign a contract for seven years. They would not even approach the table. They are only ready to make a deal for one year. But this bill is asking Canadian farmers to make a deal for seven years, without even a COLA clause being written into it. What kind of suckers do they think Canadian farmers are? What kind of blind people do they think Canadian farmers are?

I listened to the hon. member for Red Deer (Mr. Towers) make a speech this afternoon. He was right when he said that western farmers like to produce. But if they have no money to pay for the fuel, to pay the taxes or to pay for the longer hauls that the Minister of Justice will require for wheat, then they cannot produce enough wheat for all Canadians. It is the obligation of this parliament to recognize the serious situation in which farmers find themselves. Inflation is rapidly increasing, and I firmly believe it was the rapid devaluation of the American dollar that started this round of inflation. But I recognize that the huge wage contracts of 65 per cent or 70 per cent now being settled will add impetus to what might be called the second round of inflation. I do not see any abrupt end to it, although I should like to see it trailing off.

● (1710)

The government is asking us to sign a seven-year contract to provide Canadian consumers with wheat. The very least it could do is write a COLA clause into the contract. Not one worker today would negotiate a seven-year contract or any kind of wage settlement without

some kind of COLA clause. The government should consider this because, without doubt, production costs are going to rise rapidly, particularly if the Minister of Justice has his way. On this side of the House we are cheering for the Minister of Transport (Mr. Marchand), who seems to have a better grasp of the situation. I hope he wins the fight going on in the cabinet. If the Minister of Justice has his way there will be a phenomenal rise in the cost of production, yet he is piloting this bill through and asking us to forgo a COLA clause.

This bill should be given thorough study in committee, and farm associations should be called to give evidence. We should see whether Unifarm of Alberta thinks it is a good contract, and hear what the National Farmers Union of Canada has to say, although I am not a particular fan of theirs. The Palliser group, which has a strong base in the riding of the hon. member for Regina-Lake Centre, should be consulted.

If parliament passes the bill as it is now, heaven help the people who represent the farmers. Can they go back to their ridings and tell the farmers that they did not know about such a thing as a COLA clause, or did not know that the cost of production was going to increase? We cannot claim to be so blind to the inflation that is rampant. All we are asking of the government is that the farmer be given the same right as everybody else. They will do their share to increase production without increasing inflation. The agricultural industry in no way contributes to inflation and should not be asked to accept a seven-year contract that does not have a COLA clause. That is just poor business.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I want to take part in this debate because it involves the grain industry. Sometimes we are inclined to forget that this industry has helped to make Canada great. The changes that have occurred in the past two years indicate that the grain industry is going to assume a greater part in our national life than it has in the last 20 years. We have emphasized our manufacturing industry and forgotten how important grain, especially wheat, is to the country.

Technically, the bill deals with a relatively small area of the industry, that of ratifying the two-price system; but I think we should take the opportunity to find out what the government has in mind for the wheat industry. We need to know what is going to be done to assist the producers and those who handle wheat on the way to world markets. The bill follows hard on the heels of the abortive settlement the government imposed on the grain co-operatives owned by the million farmers on the prairies—a settlement particularly biased in favour of the grain handlers on the west coast. As an aftermath of that settlement we now have the walk-out of grain inspectors and a demand for parity from the grain handlers at the Lakehead. All these extra costs have to be paid out of the world price of wheat, so the cost of moving the grain from the farm to world markets is a very important matter for this House to consider. This bill must be considered in the context of what the Minister of Labour (Mr. Munro) said to the grain handling industry and to the farm co-operatives, so it is important that it be discussed in detail.

The minister in charge of the Wheat Board has made a great point of saying how important it is to assure $3.25 for

[Mr. Horner.]

wheat milled for home consumption. Six or seven years ago that might have made an impact and would have represented a considerable subsidy from the federal treasury, the taxpayers of Canada. But that was before inflation and was perhaps of some importance in 1968 and 1969, although even then production was declining. One could see fields that were not being worked because the price of grain was too low.

The cattle industry got a shot in the arm because cheap grain was available, but now the cattle industry has problems because the price of grain has increased. With the price of $3.25 to run for seven years, we are not as well off as we were in 1968 with $2 wheat. The devaluation of the American dollar and our own in 1973 has meant that the present $3.25 for No. 1 wheat at the Lakehead in reality brings less to the farmer than the $2 he received in 1968. In fact, much of the wheat sold does not bring $3.25, but a considerably lower price.

The increased costs of production make $3.25 seem like a pauper's penny. For instance, a pail of the herbicide Avadex cost $59 in the spring but now costs $83. So the government is not committing itself to doing much by guaranteeing $3.25 for 50 million bushels of wheat. Also, they show no evidence of being willing to introduce a COLA clause. With inflation running at 12 per cent, the government could promise at least $6 at the end of the next seven years.

● (1720)

On the other hand, the government is taking from producers of No. 1 milling wheat a substantial amount of money to subsidize the consumers of Canada. The mechanism for doing this is to be set up. I am not one who believes that food subsidies in the long run ever solved anything. I appreciate that violent fluctuations in the cost of food, shelter and the necessities of life can wreak great havoc. For instance, the former Heath government of Great Britain was highly criticized because it allowed coal miners to extract higher wages and then protected the consumer with coal subsidies.

Certainly, the government wishes to mitigate violent swerves in the cost of living and in the cost of certain essentials. Therefore, I do not take issue with the government for paying out of the federal treasury the difference between $3.25 and $5 as a consumer subsidy to relieve hardship. In the long run, if subsidies continue for too long and encompass a wide range of food products, a reduced production of food will be the result. It is important for that $3.25 figure to bear some relation to the farmer's cost of production and to what grain is worth on world markets.

I object to the producer of No. 1 milling wheat being made to accept less than the going world price for his produce. The difference runs at about $1 per bushel at present, and the total loss could be between $50 million and $60 million in one year. That the loss is to be borne by the producer of No. 1 milling wheat is unfair. We are not fortunate in my riding to produce much of this grade of wheat, even in good years, and this year has been unusually bad. It may be desirable to compensate the producer of No. 1 milling wheat with higher prices. As it is, that producer, under the present program, may receive less

money than the producer of No. 2 wheat who will sell his produce at world prices, or the producer of No. 3. Unless the full going price is paid to the producer of No. 1, the industry must suffer from distortions. Under this bill we are penalizing the producer of good wheat who harvests it before the rains come and makes an extra effort. Surely he is entitled to receive the maximum benefit for a good product.

The minister brought in the LIFT program, which was surely one of the worst programs ever perpetrated on the farmers of western Canada. We have had far too much government interference in the grain industry. It is time for that industry to find its own level. We must make sure that support measures do not disrupt the grain industry and create distortions and stresses within it.

The minister has shown a marked intransigence with regard to COLA clauses. His attitude is distinctly similar to that of the Minister of Labour (Mr. Munro) who, in speaking of farmer-owned co-operatives, said, "unless rates paid to grain handlers, working under conditions deplorable as they are, are brought more into line with those paid to longshoremen, the companies will experience great difficulties in getting the manpower needed to man their operations." Yet what are the facts? Two shifts were back at work willingly within hours of Senate approval of legislation to end the strike. There was an excellent unloading day on Friday, October 11.

The government, particularly the Minister of Labour, have stated that farmer-owned co-operatives have one of the worst records in their relations with employees. Nevertheless, productivity at United Grain Growers' terminals in the last ten years, measured in bushels per farm, increased as follows: at Terminal A, Thunder Bay, it increased by 24.5 per cent; at Terminal M, Thunder Bay, it increased by 92.7 per cent. This is unbelievable, you will say. Nonetheless, it is true. The activity at UGG terminals at Vancouver decreased by 21.5 per cent.

It seems strange that results at two locations coming under the same board of directors and management should be so different. I believe that the total labour environment at Vancouver has more to do with the situation at the terminals than has been supposed. Further, I do not think farmer-owned co-operatives ever had difficulty getting all the labour they needed at Vancouver and Thunder Bay, despite what the Minister of Labour said. Actually, there is little difficulty with regard to procuring labour at Vancouver, even with extremely high wages paid in general there compared with the prairies.

I bring these matters forward because if COLA clauses are included in union agreements, we may need to revise the $3.25 support in the future. The present bill and the previous bill with which the government settled the strike in Vancouver show, I believe, that the government intends to take over the elevator system. Possibly the government will levy a charge related to the $3.25 in order to run the elevator system. Actually, the National Harbours Board No. 2 elevator at Vancouver is not operated at all because it is too expensive to operate. If the government wants to provide money for grain farmers, and wants grain co-operatives to handle grain, it must provide to farmers a base price which is large enough to enable them to meet their commitments in moving grain.

The minister himself suggested that automation may provide the cure for the grain handling industry. But automation means that we must spend great gobs of money, which grain companies do not have and will not acquire if they charge merely the 4½-cent a bushel handling tariff. The Canadian grain terminal system can only function because it is old. It was built when costs were a fraction of what they are today. Replacement costs are on a completely different scale. I think that government involvement in the grain handling system will mean that we will pay a large price for the operation of our grain handling facilities. Under private ownership of the facilities there is an incentive to save grain. Private ownership provides the incentive to save grain and grades by cleaning to the closest tolerances. This prevents waste of good grain in dockage, and so on.

Mr. Benjamin: You don't believe that, do you?

Mr. Ritchie: No such incentive will exist for government operators, and the farmer would be the loser. I think we must look at the total costs of such operations. This bill deals with only part of the present cost involved in moving grain from the farm to the markets of the world. At page 237 of *Hansard*, the Minister of Labour said, "the companies are convinced that sooner or later they will sell the grain they now have on hand." The minister should know that 83 per cent of all grain shipped to Vancouver is Wheat Board grain which is owned by the government of Canada and for which the minister in charge of the Wheat Board is responsible to this House. The companies have neither financial control nor interest. He went on to say they do not even have to justify their actions to the membership. The directors of prairie co-operatives are elected by a most democratic process. All farmer members are allowed to vote. They in turn elect the officers of the company.

● (1730)

In committee we should have the input of people who know the grain industry, particularly from the side of the farmer. Many of them have a great deal of experience. I hope this bill will receive close study, not only within the narrow range of $3.25 at one end and $5 on the other, but we want to know what the government has in mind for the future. What will the cost be to move grain from the farms to the markets of the world? Will we be developing alternate shipping through the Mississippi or Seattle in addition to our eastern and western terminals, as well as trucking, and so on? All these matters should be discussed. A useful purpose will be served by widespread discussion of this bill in committee.

The Acting Speaker (Mr. Penner): Order, please. I wish to advise the House that if the minister responsible for the Canadian Wheat Board speaks at this time, he will close the debate at this stage of the bill. Is this agreed?

Some hon. Members: Agreed.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I rise to make a very few comments to conclude this debate on second reading, in order that the bill can go before the committee for further consideration. I welcome the support which the bill has received; it seems to be unanimous

from all corners of the House. I therefore expect it to move forward through the remaining stages with expedition.

I noticed that a number of the comments of hon. members dealt with subjects not directly related to the bill. In dealing with the question of farmers' costs, the hon. member for Crowfoot (Mr. Horner) spoke about the question of Crowsnest rates. He referred to remarks I had made, which were put forward for consideration by the prairie farmers and the industry, in connection with whether there might be a better way for the prairies to benefit from the Crowsnest rates. This traditional and hallowed arrangement, as I call it, to which they are entitled will always be the same with this government and, I am sure, with successive governments because of the tradition associated with it.

The specific question which I put forward, and I did so for the benefit of the prairies, was as to whether the benefit of the Crowsnest rates could, in fact, be turned over to producers more directly and not necessarily still in the form of a specific, frozen rate on grain. I say that particularly in answer to the hon. member for Crowfoot who obviously misunderstood this important point.

The hon. member for Crowfoot argued that any change I was suggesting would in some fashion increase the cost to the producer if the rate on grain increased. Of course, if any increase in the rate of grain were matched by a transfer to the producer of an equivalent amount, it would not increase his costs. In fact, my argument—and I believe this to be for the probable benefit of the prairies—was that with the more flexible rate we might have a grain handling and transportation system that better meets the needs of the prairie farmer. It would allow him to have a better choice as to the kind of transportation system he wants, how he wants to relate to it, where he wants to deliver his grain, and at what cost. We would have a better transportation and handling system for an equivalent amount of money. I noted the hon. member for Crowfoot clearly missed that point. I am confident he would not want to distort the matter in that way, and I have tried to make that point for him now. It is an important point and I urge hon. members to consider it very seriously.

It is not accidental that I, a person who comes from the prairies, a principal grain growing area, have put forward the proposition that the Crowsnest rates might better benefit the prairie producers if they were handled in a different way. I do that, and hon. members who know my record of performance in fighting for things that are good for the prairie farmer and the west will appreciate that that is ample testimony and evidence that, once again, I see an opportunity to improve the lot of the prairie farmer in a clearcut way.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lang: There are, of course, some members opposite who do not always agree with those sentiments which I expressed, but I am happy to have the more eloquent testimony of a significant number of voters in Saskatchewan who happen to agree with that proposition.

Some hon. Members: Hear, hear!

[Mr. Lang.]

Mr. Lang: The hon. member for Assiniboia (Mr. Goodale) pointed out that discussion on cost of production will be an important matter in connection with the stabilization bill which is being prepared for this session of parliament, and which we hope to have passed into law very quickly. I think it will be the most appropriate place for firm protection for the prairie grain producer against increases in the cost of production. In this particular situation, what we have involved—not in the bill but in the arrangement with regard to price which is outside the bill—is a range of prices in the form of a long-term agreement with a floor of $3.25 and a ceiling of $5.

I ask hon. members, particularly those who welcome long-term agreements, whether they would not now—or indeed would have a year ago when this principle was, in effect, accomplished—welcome a long-term agreement with other buyers with that kind of floor price and ceiling. Even today, when prices are higher than that ceiling, it seems to be a fairly attractive range for negotiations or discussions. When you are discussing a range of prices, you are really dealing with a market price which may rise or fall. Over the long term, we need to have increases equal to the cost of production. That is the nature of market prices. It is not a fixed price such as a wage which can be indexed to go forward every year. I hope hon. members understand that.

The basic agreement with regard to price is outside the bill. The bill is specifically for the transfer to the producers of the wheat of $1.75 a bushel or such lesser amount as may be required when wheat is above $3.25 in the case of Spring wheat, and above $5.75 in the case of Durum. The arrangement with regard to the price for wheat, that the Wheat Board will sell at no higher or no lower price than $3.25 for Spring wheat and $5.75 for Durum, was included in an order in council adopted at the time the policy was announced. The order in council explained this arrangement through the seven-year period contemplated originally, through to 1980. The price for Durum payments from the treasury is triggered over the $5.75 figure.

The hon. member for Regina-Lake Centre (Mr. Benjamin) asked why the eventual floor for Durum in the long-term arrangement is, in fact, the same as for Spring wheat, that is, $3.25. This is an important question and one to which we gave full consideration. It was our conclusion that it would be inappropriate to take the temporary, very large difference in price between Durum and Spring wheat and enshrine it in the domestic wheat pricing arrangement. A review of prices over a long period shows that prices of Durum and other wheats produced in the prairie region are far closer than the present distance between them indicates. The difference at the present really reflects an unusual production and demand pattern. In fact, poor crops of Durum in one or two principle countries outside North America have resulted in these price discrepancies.

● (1740)

Another form of analysis which we undertook concerned the number of bushels we could expect to be produced on various lands in the prairies which could grow both Durum and Spring wheat, and this analysis indicated a very close relationship in the yields between the two. There is a tradition on the prairies that Durum

yields a little less than does Spring wheat, but further analysis indicates that in fact it tends to yield the same amount, approximately, on the same land. The statistical difference which appears when one looks at the broad yields seems to come from the fact that Durum tends to be grown in those areas where yields tend to be lower, rather than that the grain itself naturally yields less.

Obviously, to impose an artificially higher price for Durum, even in the domestic market, a very small market, it is true, might have had the result of encouraging more production of Durum, as compared to other wheat, than would have been the case. We felt that as we approached the floor, if we ever do, the two ought to be allowed to be in the relationship in which market forces place them.

Mr. Benjamin: Would the minister permit a question, Mr. Speaker? In view of the fact that the price of Durum has always been higher than for hard wheats, even sometimes as much as 25 cents higher, would the minister not agree that the floor for Durum should at least be somewhat higher than the floor for hard wheat? I agree that $5.75 may be too high a spread. But should it not be somewhat higher than the $3.25?

Mr. Lang: There have been periods during which Durum has been priced higher than other wheat, but this is not universally true; it has not always been the case. It may have reflected a particular number of special conditions. I think in the case of a floor price it would be very difficult to know the exact relationship which would be desirable. Of course, we have been looking at this question, recognizing that the greater proportion of both these crops is likely to be exported. Therefore, real market forces in the international world would likely adjust the price fairly appropriately between the two without our seeking to deal exactly with it. If we could come to any specific conclusions about the scientific reasons for the difference in price between the two, I would certainly be glad to take them into consideration when looking at the floor price for Durum.

The hon. member for Regina-Lake Centre made a number of other suggestions with which I must take issue. He was grasping at straws, I think, Mr. Speaker, when he saw the two-price wheat system as having come about in the minority parliament situation of the last couple of years. I would have thought that at this point in the new session he would not want to refer back to this party's reliance on taking credit for everything that went on during the last parliament. He and his party tried that in the election campaign. The two-price system was, of course, begun in one form in 1969, the first year of the previous majority Liberal government; it was converted into $3 two-price wheat in early 1972, in the last year of the majority parliament. That is when the most formal kind of two-price wheat was really born.

Of course, when a good program comes forward I suppose it is typical of politics that many people should try to take credit for it. Why, we even heard the hon. member for Crowfoot trying to claim it for the Conservative Pary, going well back into history to do so, because the right hon. member for Prince Albert (Mr. Diefenbaker), when he was prime minister, had made a couple of acreage payments. The hon. member called that two-price wheat, in retrospect. Of course, these payment were coughed up from time to time, usually when an election was in prospect. This government intends to do things on a regular basis. The history of the right hon. gentleman and his government doing these things before an election is so implanted in the hon. member's mind that every time we introduce a good measure he expects an election to be around the corner. I suspect that some of the good things we shall be producing in the next few months will lead him to get ready for an election in 1975.

The hon. member for Regina-Lake Centre should also go back and check his notes about the stabilization bill debate, because he suggested that I was in some way opposed to two-price wheat in connection with that debate. I was, of course, at that time in the very process of developing the two-price program which was implemented in January of 1972. What I said in the course of the stabilization bill debate, when his party and the official opposition obstructed in every possible way the movement into law of a good measure, was that this was good legislation which could be improved at a later date. I also said it should not be stopped simply because it was not the answer to all the problems.

I am delighted that all hon. members see the value of this bill. Some have suggested that the principle be extended to other grains. I will be glad to hear what they have to say about the specific levels they would regard as being right in the case of long-term arrangements for barley, for instance. If hon. members have any suggestions to put forward I would be delighted to receive them.

Motion agreed to, bill read the second time and referred to the Standing Committee on Agriculture.

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MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-31, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1975.

THE ROYAL ASSENT

[*English*]

Mr. Speaker: It is my duty to inform the House that I have received the following communication:

Government House
Ottawa, October 30, 1974

Sir,

I have the honour to inform you that His Excellency the Right Honourable Bora Laskin, P.C., Administrator of the Government of Canada, will proceed to the Senate chamber today, the 30th day of October, at 5:45 p.m. for the purpose of giving Royal Assent to a Bill.

Royal Assent

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary

to the Governor General

● (1750)

A message was delivered by Major A. G. Vandelac, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Excellency the Administrator of the Government of Canada desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

● (1800)

And being returned:

Mr. Speaker informed the House that His Excellency the Administrator of the Government of Canada had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

Bill C-31, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1975—Chapter 2.

At 6.08 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 31, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

GOVERNMENT ACTION TO STOP WASTEFUL SLAUGHTER OF CALVES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Last night, Mr. Speaker, Canadians were shocked to see on the national television news the wanton and wasteful slaughter of hundreds of calves. This bloody waste of high protein food comes at a time when Canadians are paying record high prices for beef which are not reflected in returns to producers. We saw, on the same television program, the suffering, death and human misery on the Indian subcontinent arising out of famine and drought.

I would therefore move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the government give immediate consideration to taking whatever steps are necessary to put an end to this wasteful slaughter.

Mr. Speaker: Order, please. The House has heard the terms of the motion. As it is proposed pursuant to Standing Order 43, it can be debated only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, it cannot be debated.

* * *

● (1410)

UNEMPLOYMENT INSURANCE

DENIAL OF BENEFITS TO FISHERMENS' WIVES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I, too, wish to move a motion under Standing Order 43 for the usual logical reasons.

Some hon. Members: Hear, hear!

Mr. Marshall: Present unemployment insurance regulations discriminate against fishermen's wives who are engaged in work related to fish processing in that they are being denied unemployment insurance benefits. This situation conflicts with the government's stated intention to implement equality of status for women. I therefore move, seconded by the hon. member for St. John's West (Mr. Carter):

That the matter of the entitlement of fishermen's wives to UIC benefits be referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: The House has heard the terms of the motion being proposed pursuant to Standing Order 43. It cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

* * *

[*Translation*]

AGRICULTURE

ADOPTION OF MEASURE TO ASSURE SUPPLY OF FERTILIZER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I seek the unanimous consent of the House under Standing Order 43 to move a motion on a matter of urgent and pressing necessity.

In view of the fact that the manufacturers of fertilizers are not in a position to ensure a normal supply to farmers for this fall and next spring, and in view of the fact that they anticipate a price increase of about $50 a ton, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House instruct a special committee to fully investigate the causes of this disorder in the fertilizer trade and report to the House before the Christmas recess.

Mr. Speaker: The House has heard the hon. member's motion which, under Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the motion cannot be put at this time.

[*English*]

SUGGESTED IMPROVEMENT IN PROGRAM TO CONTROL BRUCELLOSIS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in view of the increasing incidents of brucellosis among dairy herds in Canada, particularly in eastern Ontario, which has resulted in the withdrawal of farmers from needed milk production, I rise to seek leave of the House to propose a motion under the terms of Standing Order 43 on this matter of urgent and pressing necessity. I therefore move, seconded by the hon. member for Elgin (Mr. Wise):

That the Minister of Agriculture be instructed to improve immediately vaccination and inspection procedures to deal with the serious outbreaks of brucellosis throughout Canada and particularly in eastern Ontario, that he give serious consideration to increasing compensation for herds already affected by the disease and further that the minister's programs with respect thereto be referred to the Standing Committee on Agriculture for reassessment and review.

Mr. Speaker: The House has heard the terms of the motion being proposed pursuant to Standing Order 43. It cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

* * *

INDIAN AFFAIRS

REFERENCE OF NATIVE LAND CLAIMS TO STANDING COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the recent statement by Lloyd Barber, Indian Claims Commissioner for Canada, that the failure of the federal government to satisfactorily settle the outstanding problems of land claims has created an emergency situation, I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That the whole issue of native land claims be referred immediately to Standing Committee on Indian Affairs and Northern Development.

Mr. Speaker: The House has heard the terms of the motion being proposed pursuant to Standing Order 43. It cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

[Mr. Speaker.]

CRIMINAL CODE

SUGGESTED REMOVAL OF ABORTION FROM PROVISIONS OF CODE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. I am aware of Your Honour's concern about these motions being of a serious nature. In view of the publication on Saturday, October 26, of the results of a Gallup poll to the effect that 62 per cent of those Canadians surveyed state that the decision to have an abortion should be a matter solely between a woman and her doctor; in view of the fact that of those who initially disagreed with the above, 81 per cent would permit abortion if the woman's physical and mental health were endangered, and in view of the pressure applied by the Minister of Justice having resulted in very few hospitals establishing therapeutic abortion committees, I ask consent to move, seconded by my hon. friend from Sault Ste. Marie:

That this House request the Minister of Justice at the earliest possible date to bring in amendments removing abortion from the Criminal Code thereby allowing a full and important debate on this subject which would ensure the right of women in many parts of Canada to receive the medical attention which they need and which is their right.

Some hon. Members: No!

Mr. Speaker: Order. I have some doubt that the existence of an opinion poll in the country somehow changes the issue from one of general and continuing concern into one which could be classified as of urgent and pressing necessity within the terms of Standing Order 43. This, notwithstanding the fact that Standing Order 43 has to be liberally interpreted, in view of the requirements of unanimous consent. I cannot see that the existence of the opinion poll is a very significant factor in bringing the general subject under the terms of the standing order. However, with this caveat, I shall resolve the doubt in favour of the proponent. Does the House give unanimous consent to the motion being put?

Some hon. Members: No!

Mr. Speaker: Since there is not unanimity, the motion cannot be put forward.

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REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN FIRST REPORT OF STANDING JOINT COMMITTEE

Mr. Robert McCleave (Halifax-East Hants) moved concurrence in the first report of the Standing Joint Committee on Regulations and other Statutory Instruments presented to the House on Tuesday, October 29.

Motion agreed to.

CO-OPERATIVE CREDIT SOCIETIES

TABLING OF REPORT OF SUPERINTENDENT OF INSURANCE FOR YEAR ENDED DECEMBER 31, 1973

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I should like to table the report of the Superintendent of Insurance on Co-operative Credit Societies for the year ended December 31, 1973.

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BUSINESS OF THE HOUSE

PROCEDURE FOR DEBATING MOTION CONCERNING VETERANS LAND ACT

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, under the provisions of Chapter III of the Statutes of Canada for 1974, the House must proceed to the consideration of the motion concerning the Veterans Land Act of which notice was given on October 17. I suggest the House now order that this matter be taken up after orders of the day are called on Tuesday next and, if necessary, on Wednesday next, and that in order to give as many members as possible the opportunity to participate in the debate, which according to law cannot exceed two days, I suggest it be made part of the order that the hour for private members' business on Tuesday next be suspended.

Mr. Speaker: The provisions of the statute pursuant to which the notice was filed with the Chair require that this matter be taken up and considered by the House within 15 days. Under at least one interpretation this involves calendar days and the period would expire tomorrow. Accordingly, the suggestion made by the President of the Privy Council is important in the sense that making an order rather than simply giving assent to an agreement at this time would constitute in the view of the Chair the taking up and considering of the item within the 15 day period. With these considerations in mind, I now ask whether the House agrees to an order being made in accordance with the terms outlined by the President of the Privy Council?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

● (1420)

PRIVILEGE

MR. LAWRENCE—FAILURE OF GOVERNMENT TO PROVIDE MEMBERS WITH INFORMATION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I rise on a question of privilege. By calling "Introduction of Bills" the opportunity for statements by the ministry has now passed for today. I should like to protest as strongly as I can as a member of this House—and I think this affects the privileges of all members of the House—the continual ignoring of the members of the House by not giving us information so that we can properly discuss the affairs of this nation.

Some hon. Members: Hear, hear.

Destruction of Calves

Mr. Lawrence: Yesterday a very important meeting was called by the Prime Minister (Mr. Trudeau) of this country, to which the premiers of the provinces in this country were invited, to deal with a very important matter, if not the most important matter affecting the economic history of this country to date. Today the Acting Prime Minister (Mr. Sharp) is present but he has not mentioned publicly one word about this meeting. One, if not two, members of the ministry who were also present at the meeting are here. I should like to protest as strongly and as loudly as I can this continual ignoring of the members of this House, which is the place where the affairs of this nation should properly be discussed.

Some hon. Members: Hear, hear.

Mr. Speaker: The hon. member has in fact protested as loudly and as strongly as he possibly could. Unfortunately, this matter does not constitute a valid question of privilege. However, the President of the Privy Council (Mr. Sharp) wishes to make some kind of announcement.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I should perhaps explain to the House that the Prime Minister (Mr. Trudeau) is not present today because he is continuing the very useful discussions that began yesterday with the prime ministers of the provinces. He is meeting today with members of the trade unions, I am sure the House will agree a very useful activity, very much in the public interest. The Minister of Finance (Mr. Turner), who was present at the meeting, will be present to answer any questions he can about the proceedings.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the hon. Minister of Manpower and Immigration.

Mr. Speaker: Order, please. I will recognize the hon. member a little later.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

AGRICULTURE

DESTRUCTION OF CALVES AND HIGH RETAIL PRICE OF MEAT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I ask leave of the House, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the crisis in the meat producing industry manifested by the destruction of calves in Quebec and the high prices being paid by consumers throughout Canada.

Mr. Speaker: Order. The hon. member has given the Chair notice as required within the terms of the Standing Order. He has therefore given the Chair the opportunity to

consider the validity of the proposed motion pursuant to the terms of Standing Order 26.

The motion alludes to a somewhat general problem of rising food costs faced by consumers in Canada. In that respect it would appear to be dealing with a continuing or general type of problem as opposed to one which is envisaged by the terms of Standing Order 26 as constituting an emergency situation so that the business of the House ought to be set aside for its consideration.

However, the reference to the rather dramatic occurrence in the province of Quebec which was reported last evening brings the motion, in my view, into a different context in that that specific occurrence is of a sufficiently dramatic impact on the food situation, particularly the meat producing industry, in its relationship to consumer prices in Canada, to take the matter out of the realm of generality and to give it urgency which, at least on a prima facie basis, in the opinion of the Chair brings it within the provisions of the Standing Order.

I was, of course, further concerned that the demonstration referred to in the motion appeared to have been directed in whole or in part at the provincial minister or the provincial government involved. However, there can be no doubt from the numerous discussions which have taken place during the first weeks of this parliament and the questions that have been answered by the Minister of Agriculture (Mr. Whelan) that there is a very considerable federal involvement in the subject.

Furthermore, while there is some possibility of negotiating a solution to the problem, the fact remains that the very dramatic and tragic occurrence of yesterday in the province of Quebec referred to in the motion still remains of sufficient importance in the view of the Chair to qualify it as an emergency situation within the terms of the rules.

In addition, the Chair must direct its attention to whether there is likely to be a reasonable opportunity for this very important subject to be discussed or considered by this Chamber within the time which would be appropriate for effective consideration vis-à-vis the emergency nature of the occurrence itself. I am satisfied that no such opportunity appears to present itself.

Accordingly, for those reasons, I have come to the conclusion that within the terms of sub-section(4) of Standing Order 26 the subject matter of the proposed motion is indeed a proper subject for discussion within the terms of this rule. If I may favour the House with a brief explanation of the procedure, in the circumstances the House may either give its consent that the matter be considered, in which case it will be considered this evening at eight o'clock, or, alternatively, if the House does not give its consent I will ask if those in favour of having it considered will rise, and if 20 or more members rise again it will be in order to consider it at eight o'clock this evening. Therefore, may I ask if the hon. member has leave to move the motion for the discussion of the subject stated in the proposed motion?

Some hon. Members: Agreed.

Mr. Speaker: Accordingly the matter will be discussed this evening beginning at eight o'clock.

[Mr. Speaker.]

ORAL QUESTION PERIOD

[*English*]

FEDERAL-PROVINCIAL RELATIONS

MEETING WITH PREMIERS OF PROVINCES—REQUEST FOR STATEMENT OF RESULTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance relating to the often mentioned discussions heading hopefully to a consensus of the principal elements in our economy in respect of sharing the gross national product. Can the minister tell us anything further following those discussions yesterday with the provincial premiers? Will he tell the House what procedures the government will be following, or the form the discussions will take with the principal elements of the economy with a view to reaching such a consensus?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there will be an opportunity fot the House to go into that in more detail. I was invited to participate at the meeting yesterday between the Prime Minister and the premiers at two o'clock, and I understand that the particular subject to which the Leader of the Opposition referred was discussed at lunch.

Mr. Stanfield: Mr. Speaker, I should like to ask the Minister of Finance, who has a particular responsibility in this area of fighting inflation, and presumably a particular responsibility with regard to these discussions that have taken place, whether the Prime Minister has not seen fit to take him into his confidence on what he is up to regarding these discussions?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the Prime Minister and I had a thorough conversation preceding the meeting yesterday. My only limitation in reporting to the House is that I was not present during this particular conversation at lunchtime. I am sure that in due course the Prime Minister will be glad to respond in more detail to the hon. member.

MEETING WITH PREMIERS OF PROVINCES—PROPOSAL OF MINISTER OF FINANCE ON WAGES, PRICES AND PROFITS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is supplementary to the one put by my leader. I understand that the Minister of Finance has indicated he gave the Prime Minister a proposal or recommendation which would convey to the premiers a plan under which we could have a fair and reasonable balance between wages, prices and profits. I further understand that the minister has said the procedure was discussed with the premiers. Was this placed before the premiers and, if so, what was their reaction to the recommendation by the Minister of Finance?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I just arrived at coffee time and I did not hear that conversation.

● (1430)

MEETING WITH PREMIERS OF PROVINCES—REQUEST FOR STATEMENT OF RESULTS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, we are now seeing the difficulty of having this discussion in the question period where we can obtain no answers or merely evasive answers. My question is directed to the ministry which means it does not have to be answered by the Prime Minister, but by someone who was there. We have a right to know what went on yesterday. Would somebody mind telling us.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is quite clear from the statements made by the other prime ministers who were present, the prime ministers of the provinces, that this was one of the most successful conferences ever convened.

Some hon. Members: Hear, hear!

* * *

AGRICULTURE

REQUEST FOR STATEMENT OF GOVERNMENT MEASURES TO ASSIST BEEF PRODUCERS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the tragic slaughtering of cattle which has taken place, and which is continuing to take place in the province of Quebec, and considering that the minister said in the House last week that he would be announcing this week some program for the assistance of cow-calf operators, I wonder whether the minister has finally made up his mind about this important question and is in a position to inform the House what the government intends to do.

Mr. Speaker: Order, please. I hesitate to interfere with the rights of hon. members to present questions during the question period but it seems to me the hon. member is trying to have it both ways. He succeeded in having this very important subject matter set down for debate beginning at eight o'clock this evening. Under the circumstances, I can scarcely consider the questions involved in that same subject urgent enough to be considered during the question period.

* * *

FEDERAL-PROVINCIAL RELATIONS

MEETING WITH PREMIERS OF PROVINCES—PROPOSAL TO DEFER SPENDING ON SOME CONSTRUCTION PROJECTS AND TRANSFER FUNDS TO HOUSING

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I shall defer to your judgment in respect of the fair-minded decision made earlier and shift my question to the Minister of Finance concerning the meeting which took place yesterday between the Prime Minister and the premiers. I should like to ask the minister whether the government is giving serious consideration to the proposal made by some of the premiers, which I understand gained wide acceptance, that the federal government defer spending on some of the construction projects which were planned, but which are not of immediate importance, such as office buildings, and that the federal government should transfer such funds to housing.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there was a general feeling on the part of the premiers that in some parts of the country where there was an overheating of the construction industry it would be in the interest of the government to postpone some of the non-residential construction in order to free up that industry for residential construction. There was a general feeling that that was the proper stance to take. What the stance of the federal government will be will depend upon the estimates and budgetary policy.

* * *

FINANCE

POSSIBILITY OF INCREASING FUNDS AVAILABLE TO MUNICIPALITIES FOR PUBLIC WORKS PROJECTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary. May I ask the Minister of Finance whether the government intends to increase the amount of funds going out to the provinces to be channelled back to the municipalities for capital expenditures in respect of sewers and other similar publicly needed facilities, in the context of dealing with the looming unemployment in the winter and spring months.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, announcements to that effect would be made in certain aspects by my colleague the Minister of State for Urban Affairs and in others, if there were an appropriate response, on budget night.

* * *

[*Translation*]

IMMIGRATION

CONSEQUENCE OF EXPULSION OF HAITIANS—MINISTER'S POSITION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I have a question for the hon. Minister of Manpower and Immigration.

In view of the recent statements he made in this House to the effect that the government was eager to favour the coming to Canada of French-speaking immigrants and to deal in a humanitarian way with the victims of oppressions, does not the hon. Minister feel that both these aims will be thwarted by the deportation of several hundred Haitians from Canada, and more specifically from the Province of Quebec.

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in announcing that intention of the government to promote Francophone immigration, it was indicated that such immigration should be under Canadian law and according to Canadian rules and regula-

tions. In the case of the Haitians in Montreal, a matter of considerable debate, the problem is that many, if not most, of them came here illegally, are in Canada illegally, and are subject to Canadian immigration law. It has nothing to do with the fact that they are French-speaking or from what source they came.

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FEDERAL-PROVINCIAL RELATIONS

MEETING WITH PREMIERS OF PROVINCES—FEDERAL PROPOSALS TO CONTROL HEALTH CARE COSTS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Finance. With the spiralling increase in the cost of the multibillion dollar health care joint program with the provinces which is a leading inflationary matter in this country right now, with a 15 per cent annual increase, I should like to ask the minister if this important matter was brought up with the provinces yesterday in the discussions because, as the minister knows, the inflationary rate of the health care costs means that many of the services are ineffective or non-existent today.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not disagree with the premise advanced by the hon. member for Brome-Missisquoi. It was not discussed yesterday. It might well be a subject of conversation at the meeting of the ministers of finance of the provinces and the federal government on December 9 and 10. The hon. gentleman will recall that the federal government, under the leadership of the former Minister of National Health and Welfare, now Minister of Labour, by his successor, by the present minister and by myself, tried to devise with the provinces some formula to put some cap on the escalation of the health costs.

Mr. Grafftey: Mr. Speaker, I have a further supplementary. Yesterday I posed a question to the Minister of National Health and Welfare and he could not assure the House this subject was on the agenda for the health ministers in the future. My question to the Minister of Finance is: since this government imposed on the provinces the kind of medicare program we have today, what initiative does the federal government intend to take to clear up this matter and when will proposals be made so that these costs can be brought under control.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, in the last two or three years to my direct knowledge within the responsibility of the portfolio I hold, the federal government came up with several proposals each of which were rejected by the various provinces. I agree that the subject is vital, is still worthwhile exploring, and we will continue to take initiatives.

[Mr. Andras.]

AIR TRANSPORT

CRASH OF PANARCTIC AIRLINER—REQUEST FOR STATEMENT ON CAUSE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a question for the Minister of Transport. Does the minister have any further information concerning the cause of the accident which occurred on Melville Island involving the serious crash of the PanArctic airliner.

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker. At this moment I do not know anything more than the hon. gentleman knows through the newspapers. There are only two persons who survived. We have some people in Melville trying to find out exactly what happened, the cause of the accident.

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AGRICULTURE

PROPOSED INTRODUCTION OF ALL-VEGETABLE WEINERS—GOVERNMENT POSITION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Agriculture. In light of the apparent disagreement and confrontation between the minister and his colleague, the Minister of Consumer and Corporate Affairs, who is now apparently supported by the Minister of National Health and Welfare regarding the introduction of all vegetable weiners and other simulated meat products, I wonder whether the Minister of Agriculture can now tell the House if this disagreement has been resolved or if he wishes to make his usual denial of disagreement will he tell us whether the introduction of these products is imminent?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, so far as I am concerned discussions are continuing between the departmental officials of the Department of Consumer and Corporate Affairs and the Department of Agriculture to ascertain whether they can come to any decision concerning the wording so that the consumer really understands what is being purchased and so that false names are not used in advertising it as a meat product. I do not think we have any objections. I have talked to the Minister of Consumer and Corporate Affairs about this to see whether some workable agreement can be made.

* * *

● (1440)

GRAIN

WHEAT AND BARLEY—POSSIBLE INCREASE IN INITIAL PRICES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, a question for the minister in charge of the Canadian Wheat Board. Having regard to the wide discrepancy between initial prices for wheat and barley delivered under the auspices of the Canadian Wheat Board and local feed prices within various areas of western Canada, as well as

the wide discrepancy between the initial price and the final price, all of which is having a very bad impact on deliveries to the elevator system, can the minister tell the House when we can expect an upward revision in the initial prices of wheat and barley? Will it be before the end of the year?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the timing of any change is under consideration. Differences of price are, of course, to be explored but any change of initial price would not alter the fact that there would be a distinct and different price for the off board market which would reflect the views of farmers on particular supplies and their judgment of the market for the year.

Mr. Mazankowski: A supplementary question, Mr. Speaker. Having regard to the fact that this is under consideration could the minister give the House some idea of the range the upward revision might take?

Mr. Lang: No, Mr. Speaker. I think perhaps it would be better to await the formal decision.

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FEDERAL-PROVINCIAL RELATIONS

MEETING WITH PREMIERS OF PROVINCES—FEDERAL TAX ON PETROLEUM—POSSIBILITY OF AGREEMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Finance. Crude petroleum is one of the commodities that brought about some degree of inflation because of our imports, so its supply is important. Was there discussion yesterday between the Minister of Finance, the Prime Minister and the premiers of the provinces with a view to reaching an agreement on the resources of the provinces, with particular reference to the federal surtax which is really a super tax on top of any initial price of crude petroleum per barrel and also royalties charged by the provinces. Was there any agreement in this regard?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not accept the description of the federal position on that issue but the question of resource tax by provincial governments and the federal government was discussed yesterday.

Mr. Woolliams: A supplementary question. Would the minister at least take the House into his confidence as he did the newspaper reporters in Edmonton? The *Globe and Mail* reported what was discussed. Will there be some compromise on the federal tax which the provinces, on the whole, object to because of the federal government's interference with the constitutional rights of the provinces?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman and I have had some discussion in this House on the interpretation he wishes to take from a reporter's judgment. I will say to him that in no way did I or the Prime Minister reveal what the budgetary response is going to be in this discussion. We did lay our cases as openly and frankly as we could to the provincial premiers and, in the later session, to Premier Lougheed.

CANADA DEVELOPMENT CORPORATION

SUGGESTION CORPORATION DIRECT CONNAUGHT LABORATORIES NOT TO INCREASE PRICE OF INSULIN

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question to the Minister of Finance concerns the price of insulin which has increased by about 20 per cent in the past year. In view of the fact that the price of insulin was held steady for years when Connaught Laboratories was under the aegis of the University of Toronto, can the Minister explain why insulin production was put on a profit-making basis when Connaught Laboratories became part of the Canada Development Corporation? Will the minister give direction to the Canada Development Corporation to ensure that Connaught Laboratories refrain from future price increases of insulin supplies to the 200,000 Canadian users?

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I was given a report on that subject which I cannot find at the moment but I will give it in full detail to the hon. member.

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ENERGY

ATHABASCA OIL SANDS—POSSIBILITY OF FEDERAL GOVERNMENT PURCHASING INTEREST OF SHELL COMPANY IN UNITED STATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the fact that Shell Canada Ltd. has indicated its intention to proceed with the construction of a $1 billion plant on the Athabasca oil sands despite the fact that its partner, Shell Explorer Ltd. of Houston, Texas is seeking to dispose of its 50 per cent equity, can the minister tell the House whether the federal government is prepared to enter into negotiations with Shell Canada Ltd. with a view to picking up the equity of its partner in order that the Canadian people may have some public participation in the development of the Athabasca oil sands?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, Shell Canada Ltd. has indicated its wish to go ahead and, with the assistance of its ex-partner, to try to find a replacement partner. As I mentioned the other day, it is conceivable that one or other of the public corporations now operative at the provincial level might wish to buy in. It is also conceivable that when Petro-Canada is formed it might like to participate. At this point we have not made any suggestion that we would take over the partnership interest.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question. May I ask the minister if the federal government, either through the Canada Development Corporation or the Canada Petroleum Corporation, when it is formed, would be prepared to enter into negotiations with the governments involved for some

public participation in the development of the oil sands of Alberta and the heavy oil of northern Saskatchewan?

Mr. Macdonald (Rosedale): Mr. Speaker, I take it the hon. gentleman means public participation by somebody, but not necessarily by the federal sector. I would be prepared to canvass that question with them, and also would be prepared to canvass my colleagues on whether this is the way in which the federal government should become involved in the oil sands.

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WEIGHTS AND MEASURES

METRIC SYSTEM—COMPENSATION TO SCHOOLS FOR COST OF CONVERSION

Mr. Jake Epp (Provencher): Mr. Speaker, a question for the Minister of Industry, Trade and Commerce. In view of the decision to go to metric conversion, has any decision been made by the minister's department to compensate school divisions faced with a conversion cost of $4 per student in some cases and up to $50 for vocational students in the public system?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, no decision has been made for compensation. The House will have an opportunity on an early occasion I hope to debate the whole metric conversion program through a resolution of the House of Commons.

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INDUSTRY

LUMBER—GOVERNMENT MEASURES TO IMPROVE MARKETS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. On Monday, October 28, in the absence of the minister I directed a question to the right hon. Prime Minister concerning the decline in housing starts which is bringing about a disastrous situation in our production of lumber, especially in Nova Scotia where Bowaters Mersey has announced the closing of its Bridgewater mill in December because they have absolutely no sales whatever for 1975. The Prime Minister said he would take the question as notice. I now ask the minister if he has taken any steps recently to improve our lumber markets within the European Common Market countries or Iran or the Republic of China on Taiwan where there is a market for Canadian products?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I gave an answer in the House early this week on that precise point.

Mr. Crouse: A supplementary question. If I remember, Mr. Speaker, the question was asked by a member from British Columbia and the minister stated that he had taken steps to improve markets in Japan and in the Middle East, but he said absolutely nothing about improving our markets for lumber in the European Common Market or in Iran or the Republic of China on Taiwan. I would ask the minister now if he could give an explicit answer to my question?

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Mr. Gillespie: Mr. Speaker, I was of course referring to Iran when I referred to the Middle East. On the second point, we have taken a number of initiatives with respect to other markets. I mentioned Cuba and Iceland. I have taken initiatives as far as Europe is concerned and very recently we had a forestry mission from the Common Market that crossed the country to look at the Canadian situation. We have also taken a number of initiatives to develop the market in Japan. I will have to make inquiries as to the nature of initiatives taken in Taiwan.

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AGRICULTURE

RE-ESTABLISHMENT OF SUGAR BEET INDUSTRY—REQUEST FOR PROGRESS REPORT

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, a question for the Minister of Agriculture. The urgency of this question is the continuing high price of sugar. Can the minister give the House a report on the progress being made to re-establish the sugar beet industry in southwestern Ontario so that more of our sugar requirements can be produced in Canada or has the minister come to the conclusion that he will never be able to convince his cabinet colleagues that there would be any value in such an industry or a sugar policy for Canada?

● (1450)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not think I am divulging any great secret when I say that discussions concerning the sugar industry are going on right today. I hope to be able to present a report to parliament by the end of November.

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[*Translation*]

AGRICULTURE

FEED GRAIN—INQUIRY AS TO ADEQUACY OF SUPPLY

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the hon. Minister of Agriculture.

On October 3 last, the president of the Agricultural Producers' Union sent a letter to the minister seeking his assurance that Quebec producers would be provided with the necessary supply of grain to feed their herds during the coming winter.

Has the minister replied to this organization and can he tell the House the gist of his reply? Can this assurance be given? In the negative, can he advise the House today that Quebec producers can count on their necessary supply?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, members of the Canadian Livestock Feed Board were in my office the day I appeared before a certain committee and reported to me that they expect that the

need for feed in Quebec will be met and at the same price. I am very optimistic that all the feed needed in eastern Ontario will be taken care of before the shipping season closes. If not, arrangements are being made to transport it by rail.

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ENVIRONMENTAL AFFAIRS

ALLEGED FAILURE TO GIVE MARITIME PROVINCES WARNING OF STORM—REQUEST FOR INVESTIGATION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of the Environment. In light of the recent storm which struck the Maritimes on October 20 resulting in loss of lives and damage estimated in the millions of dollars in Cape Breton Island alone, and in view of the assertion that the Atmospheric Environment Service did not give due and timely notice of such an impending gale, will the minister cause an investigation to be carried out, to determine and correct the causes of this alleged shortcoming.

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, it is extremely difficult to make long term forecasts of the weather or even the beginnings of a storm. The matter is under continuous study. Even very recently a Canadian research vessel took part in climatic studies in the tropical area which will perhaps enable us to predict the weather and storms more than two days in advance. However, I can inquire whether any particular action might have been taken in the case mentioned by the hon. member.

* * *

[*English*]

INDUSTRY

LUMBER—ALLEGED DUMPING OF PLYWOOD BY UNITED STATES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is supplementary to that asked by the hon. member for South Shore and has to do with plywood. Is the Minister of Industry, Trade and Commerce aware that American plywood is being dumped on the Canadian market at 15 per cent below the cost of manufacturing the same type of plywood in Canada. If not, why not?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, questions or representations with respect to dumping should be referred to the Minister of National Revenue.

[*Later:*]

Mr. Steven E. Paproski (Edmonton Centre): On a point of order, Mr. Speaker, I directed a question to the Minister of Industry, Trade and Commerce. I am not aware which minister looks after anti-dumping. The minister mentioned the Minister of National Revenue. May I direct my question to the Minister of National Revenue. Is he aware, especially as he comes from Vancouver, that American plywood companies are dumping American plywood on the Canadian market at as much as 15 per cent below the cost of Canadian manufacture. In the minister's own area they cannot sell the stuff.

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, my office has not received any complaints regarding anti-dumping, but I will check with the department and investigate the matter.

* * *

THE BUDGET

INQUIRY AS TO DATE

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. Since he said several times in the House that the budget will be introduced early in November, is he prepared to give us the specific date for that long awaited event?

Hon. John N. Turner (Minister of Finance): Not yet, Mr. Speaker.

* * *

NATIONAL DEFENCE

REQUEST FOR REMOVAL OF BAN ON POLITICAL CANVASSING ON ARMED FORCES BASES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Defence. In view of the fact that persons who live in homes located on Canadian Armed Forces bases are citizens with full voting rights, will the minister take steps to lift the ban against political canvassing so that all parties may present their message to the voters who live on the Canadian Armed Forces base in Rockcliffe in the current Carleton-East provincial by-election.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as the hon. member implied in his question, there is a regulation in the Queen's Regulations and Orders, which prevents an officer from allowing a candidate, his agent or canvasser from going onto a base to campaign during an election campaign. That applies federally, provincially and municipally. If the PMQ's are off the base, then the personnel can be canvassed by the candidate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the minister. If it is a matter of regulation, does that not put it under the minister's control? Should not citizens in their homes, no matter where those homes are located, have the same political rights?

Mr. Richardson: Mr. Speaker, I think the hon. member has a good point. I will be pleased to consider it.

[*Translation*]

AGRICULTURE

REFERENCE TO SLAUGHTERING OF CALVES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the hon. Minister of Agriculture.

Last night, on a television news program, we were shown scenes of the slaughtering of animals that took place in Saint-Bruno in the Lac Saint-Jean area, in a civilized country, which shows that our revered economic system is provoking general indignation. To facilitate tonight's debate, may I ask the Minister of Agriculture, whether in his opinion—

Mr. Speaker: Order, please. I repeat the decision I have already rendered in that regard. Since we are going to discuss the problem tonight, it is not permitted to raise the subject now during the question period.

* * *

[*English*]

PENITENTIARIES

ST. VINCENT DE PAUL—PARTICIPATION OF FIVE ESCAPEES IN VIOLENT CRIMES—RESPONSIBILITY FOR ESCAPE

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Solicitor General. Can the minister advise the House whether the five inmates in whom he took such a special interest as to issue special instructions and who proceeded to escape were, in their short period at large, involved in gang land killings in Montreal, bank robberies and armed robberies involving a sizeable quantity of cigarettes?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am advised that this morning three of those individuals were involved in a bank robbery. One of them, Mercier, was shot and is seriously injured. Frappier was shot and is in critical condition. One of the others escaped in the shoot-out. I am awaiting a further report.

Mr. O'Sullivan: A supplementary question, Mr. Speaker. Can the minister say if he has determined who was negligent in the escape and has he taken action concerning this negligence?

Mr. Allmand: Mr. Speaker, I am expecting a full report tomorrow.

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TRANSPORT

INCREASING CANADA'S SHARE OF MARITIME TRAFFIC UNDER UNITED NATIONS ACCORD—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport and/or his distinguished colleague next to him, the Secretary of State for External Affairs. It arises out of the conference last April at which 72 nations ratified or agreed in general to the principle of 40-40-20 with respect to the shipment of goods and commodities in and out of various countries. Canada at that time abstained from voting on the resolution, which is now in the process of ratification. In the light of Canada's abstention and in the light of the tremendous advantage to Canada of raising its share with regard to Maritime borne traffic from one per cent to 40 per cent, will the minister indicate whether Canada intends to ratify this protocol or accord. If so, when may we expect an announcement from the minister?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the Department of External Affairs deals with these matters. I will be happy to give an answer tomorrow. Our people are involved in negotiations and tomorrow I will probably be in a position to tell the hon. member exactly where we stand.

* * *

● (1500)

INDUSTRY

AUTOMOBILES—POSSIBLE CLOSING OF FORD PLANT AT TALBOTVILLE—GOVERNMENT ACTION

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the recent announcement by Mr. Anthony Fredo, a spokesman for Ford of Canada Limited, to the effect that if sales of new cars continue to decline at the present rate, the Talbotville small car assembly plant will be forced to close the week of November 25, will the minister immediately communicate with officials in the automobile industry and his American counterparts in an effort to avoid this very serious situation from happening? I remind the minister that over 3,000 jobs are at stake.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am very concerned about the effects on the automobile industry of the downturn of consumption in the United States. I have on a fairly regular basis met with the presidents of Canadian automobile manufacturing companies. I will again be meeting with the president of one of the major companies within a day or two with regard to the specific situation to which the hon. member has referred. I have been informed that particular company is balancing its production and the difficulties in Canada should be of a short-term duration.

* * *

INQUIRY OF THE MINISTRY

Mr. Tom Cossitt (Leeds): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Have the minister's parliamentary or ministerial duties been extended to include deciding which government members of parliament will be permitted to contest the next election?

Mr. Speaker: Order, please.

NATIONAL PARKS

RIDING MOUNTAIN—SUGGESTED CONSULTATION ON MASTER PLAN FOR DEVELOPMENT—POSITION OF LEASE HOLDINGS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to address a question to the Minister of Indian Affairs and Northern Development. In view of the announcement in Winnipeg today that the minister's department is about to announce long-term plans for the development of Riding Mountain National Park, will the minister assure the House there will be no formalization of a master plan until such time as there has been a thorough and complete consultation with the people of Manitoba?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker.

Mr. Dinsdale: Can the minister also give assurance that the Supreme Court decision with regard to lease holdings will apply to Riding Mountain National Park.

Mr. Buchanan: Mr. Speaker, if it is the law of the land, it certainly applies to Riding Mountain National Park.

* * *

EXTERNAL AFFAIRS

DIVERSION OF WATER FROM LAKE MICHIGAN BY UNITED STATES—INVOLVEMENT OF INTERNATIONAL JOINT COMMISSION

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Secretary of State for External Affairs. Considering the threat of unilateral action by United States congressmen and in view of the fact that presently the United States house of representatives is considering a bill to permit diversion of water from Lake Michigan, has the Canadian government been engaged in discussions with the United States regarding this matter? Also, recognizing Article IV of the Boundary Waters Treaty of 1909, why has the International Joint Commission not been actively involved in this dispute?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the government has made its position of opposition well known on the question of additional diversion of water at Chicago. These proposals have been made from time to time, especially during periods of high water. The government has just as consistently reiterated its objections to these proposals. No formal proposal has been made by the United States government to Canada in this regard.

* * *

IMMIGRATION

MEETING WITH REPRESENTATIVES OF FOUR CARIBBEAN COUNTRIES—ALLEGATIONS OF DISCRIMINATION—CANADIAN POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Manpower and Immigration. I understand that the minister and his colleague, the Secretary of State for External Affairs, recently had a meeting with the high commissioners of four Caribbean commonwealth countries at which the subject of immigration was discussed. Was the published report correct which stated that the minister sternly rebuked the high commissioners for interfering with Canadian domestic affairs?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the report is not correct. It is not accurate. My colleague, the Secretary of State for External Affairs, and I did meet four high commissioners from the Caribbean. We had a very constructive discussion about immigration. They expressed some concerns based on press allegations about the possibility of discrimination in the regulations which were subsequently announced. I was joined by my colleague in strongly refuting the allegations of such discrimination. Indeed, I think the high commissioners' satisfaction was set out in a statement which was released after that meeting. They said they had received this assurance of non-discrimination and were satisfied with the meeting. We deplore any suggestion of this nature which could possibly damage our very valued relations with those countries.

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SOCIAL SECURITY

GUARANTEED ANNUAL INCOME—GOVERNMENT ACTION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, in the absence of the Minister of National Health and Welfare, I will direct my question to the Acting Prime Minister. Considering that raging inflation affects most grievously many Canadians living at or below the poverty line, is the government giving serious consideration to the melding and rationalization of welfare and social service programs along the lines forecast by President Ford for his country by a guaranteed annual income or a similar consolidated approach? If so, when can we expect an announcement or some action?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the hon. member will be aware that my colleague, the Minister of National Health and Welfare, has issued a paper dealing with this question. The matter is still under consideration at least as actively in this country as any other.

* * *

HOUSE OF COMMONS

ALLEGATION OF PARTICIPATION IN NEWFOUNDLAND LEADERSHIP CONVENTION BY MEMBER OF PRIME MINISTER'S STAFF

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Acting Prime Minister. What disciplinary action has been taken against the member of the Prime Minister's staff who participated in the Newfoundland leadership convention? My question arises out

of charges appearing in the press which came from the hon. member for Bonavista-Trinity-Conception.

Some hon. Members: Shame.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I assure the hon. member I was not aware of these allegations. I am sure they will be investigated.

* * *

[*Translation*]

URBAN AFFAIRS

RENEWAL OF CERTAIN SECTIONS OF MONTREAL—REQUEST FOR FUNDS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I want to put a question to the hon. Minister of State for Urban Affairs, who is in charge of housing.

Since representations made to the central government up to now for funds to upgrade old housing have been unsuccessful, and in view of a statement of Mayor Drapeau of Montreal concerning the federal position on urban renewal, would the Minister admit that the program standards of his ministry do not meet the social and family needs of large city dwellers, and is he determined to cooperate with the provincial government concerned to provide technical and financial assistance to municipal authorities of Montreal and other cities which are determined to emphasize urban renewal and specially the upgrading of old housing units?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am delighted with the question. I welcome any initiatives on the part of the city of Montreal, through its provincial government, with whom I have the most cordial relationship, to participate in any way in which we can be supportive and helpful. I have affection for that great city and would be more than happy to be involved. Certainly, it is not my intention to intrude in the jurisdiction of the provincial government, but we are ready, willing and able to be responsive and supportive where we can.

* * *

UNEMPLOYMENT INSURANCE

DENIAL OF BENEFITS TO FISHERMEN'S WIVES—GOVERNMENT ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question concerns discrimination. I wonder whether it does not go beyond questions to the appropriate ministers. In the absence of the Minister of National Health and Welfare, I will direct a question to his parliamentary secretary. In view of the fact that wives of fishermen are being denied qualification for unemployment insurance benefits as a result of ambiguous legislation and conflicts with the thrust of the direction of the Departments of Fisheries, National Revenue and Manpower and Immigration, will the parliamentary secretary advise what consideration is being given to overcoming this ambiguity in order to give equal status to women with regard to UIC benefits?

Miss Coline Campbell (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for having given the department notice of this question. I am under the impression that it is being looked into.

Some hon. Members: Hear, hear!

Mr. Marshall: I wish to direct a supplementary question to the Minister of National Revenue. In view of the fact that certain wives of fishermen receiving unemployment insurance benefits were overruled by regulations of the minister's department, and in view of the fact this is discriminating, has the minister taken the representations he has received under advisement? Also, has the government decided whether it will uphold the claims of these wives of fishermen who are being denied unemployment insurance benefits?

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, I think the hon. member's question refers to a group of scallop shuckers from whom I received a representation this morning. My departmental officials are examining this today.

* * *

● (1510)

INDIAN AFFAIRS

TYENDINAGA RESERVE—INQUIRY AS TO METHOD OF REMOVAL OF MEMBER OF BAND COUNCIL

Mr. J. R. Ellis (Hastings): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development with reference to the Tyendinaga Reserve in my constituency where Indians have indicated they intend to hold a special election by custom to overthrow the properly elected band council. Can the minister tell us whether such an election would be valid, and in what manner a properly elected band council member can be removed?

Mr. Speaker: Despite the apparent urgency of the question, I have grave reservations as to whether this is a proper question for the question period involving the kind of answer it does. I wonder whether it ought not to be done by correspondence. However, if the minister feels he can give a brief answer to the question, he may do so.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the legal bases by which a chief or a councillor may be removed from office are clearly set out in section 78 of the Indian Act. Until such time as I am provided with factual evidence that the chief or any individual councillor has violated the provisions of Section 78 of the Indian Act, I cannot recognize the validity of a special election. I intend to continue my support of the chief and councillors in their positions as the duly elected council of the band.

REDISTRIBUTION

REPRESENTATION OF BRITISH COLUMBIA—ALLEGED BREACH OF BRITISH NORTH AMERICA ACT

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the President of the Privy Council, involving the redistribution of seats. In view of the fact that the terms of union under which British Columbia entered confederation guarantee that the province's representation in the House of Commons will be increased in accordance with the British North America Act, 1867, and not as subsequently amended, and a further guarantee that the BNA Act, 1867, is applicable to British Columbia in the same way and to the like extent that it applies to other provinces, will the President of the Privy Council tell the House whether the government has obtained the consent of the government of British Columbia to the breach of these guarantees by the reduction of the representation of British Columbia in comparison to the representation of Ontario and Quebec?

Hon. Mitchell Sharp (President of the Privy Council): I was not aware that any action of this kind had been taken.

Mr. Reynolds: Can the hon. gentleman tell us, then, whether he intends to reintroduce the redistribution bill in the near future?

Mr. Sharp: Yes. I hope we shall deal with this matter before the end of the year. Otherwise, we would have to extend the existing legislation unless we want to return to the distribution which has been criticized so strongly in all parts of the House.

* * *

AGRICULTURE

BRUCELLOSIS—REQUEST FOR INCREASE IN COMPENSATION PAYMENTS AND REVIEW OF CONTROL PROGRAM

Mr. Walter Baker (Grenville-Carleton): A question to the Minister of Agriculture, Mr. Speaker. In view of the fact that the growing incidence of brucellosis is driving milk producers out of business, is the minister prepared to review his program for control? In particular, is he prepared to consider increasing the amount of compensation which is now paid? Knowing the minister's opinion that it is already generous, is he prepared to increase it further?

Hon. E. F. Whelan (Minister of Agriculture): First, I should make it clear that we are reviewing the control program—stepping up the number of inspections and so on. I am sure the hon. member is aware of this. I am sure he is aware, too, that we have raised levels of compensation twice already this year. At the present time we are reviewing these levels to determine whether they provide enough compensation to enable farmers who suffer losses to restock their herds when the time comes.

Oil and Petroleum

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): May I inquire of the government House leader the business for today, tomorrow, and next week?

Mr. Sharp: Today the House will begin consideration of the motion for second reading of Bill C-32, the Petroleum Administration Act. This evening, of course, there will be discussion of the emergency motion which was agreed to earlier. The debate on second reading will continue, except for possible interruption to call the report stage of Bill C-22, the Canada Pension Plan amendments. After these bills have been disposed of, if this should happen before Tuesday when we will debate the VLA motion, we will take up Bill C-10, subject to revision should urgent items be returned from committee.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved that Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade, be read the second time and referred to committee of the whole.

He said: Mr. Speaker, before I refer to the substance of the measure, I wonder whether, on a point of order, I might raise a question on the motion itself. As hon. members have just heard, the reference is to a committee of the whole House rather than to the Standing Committee on National Resources and Public Works. The predecessor of the bill before us, Bill C-18, was referred, in the last parliament, to the standing committee where there was, of course, an opportunity to hear witnesses and to carry out an extensive examination. I wonder whether the House would agree, either now or at some later time, to the motion being amended so that the bill would go to the standing committee, rather than being dealt with on the floor of this chamber.

Mr. Hamilton (Qu'Appelle-Moose Mountain): In response to the minister's suggestion, may I say we should like to hold the matter in abeyance and make a decision later.

Mr. Speaker: This being one of the budget bills, unanimous consent would be required before the motion could be changed so that the bill might be sent to the standing committee. Perhaps that matter could also be considered.

Mr. Macdonald (Rosedale): Mr. Speaker, this bill, the successor to Bill C-18 in the last parliament, has been

brought before the House because of a significant change in the economic realities facing this country, a change brought about by forces external to Canada. The basis of the altered situation is, of course, the cohesive action of the OPEC countries in raising the international price of crude oil fourfold during the past year. By this series of acts, not only have the oil policies of the oil importing nations, including Canada, been changed but the economic base of the world's trading community has been seriously challenged.

In this crisis, Canada is therefore not alone. We have participated in a response at the international level, as is indicated by the agreement on an international energy program which recently has been receiving attention from the Standing Committee on National Resources and Public Works. Because of its geographical and geological good fortune, Canada has been less seriously affected than a number of other countries. We are, nonetheless, affected by this change in the world situation and we wish to play a constructive role as a member of the international community while at the same time taking action to protect ourselves.

I have referred to the international action being taken. In the bill before us this afternoon we are dealing with domestic action contemplated to protect ourselves in this new situation. Bill C-32, the Petroleum Administration Act, is intended to provide the federal government with a statutory basis for the management, necessary in the interests of all Canadians, of important areas of international and interprovincial trade in petroleum and natural gas. Enactment of the legislation is essential if the government is to have the means to continue to guide the Canadian energy economy safely in the present turbulent global oil environment.

The bill before us is a lengthy one and is complex in parts. Hon. members will, however, be familiar with many of the aims and much of the content of the measure. The portions of the bill dealing with, first, petroleum export charges, second, domestic oil price restraint and, third, petroleum import cost compensation, are essentially unchanged from the corresponding sections contained in Bill C-18 which I introduced to the last parliament in April of this year.

[*Translation*]

When Parliament was dissolved, the government was forced to resort to devices to preserve two very important features of Bill C-18, namely the export tax on oil and the compensation of oil importers. Since the beginning of April, the oil industry has voluntarily agreed to collect and pay for export taxes pending this legislation. The compensation was paid to oil importers through special warrants of the governor general which were recently submitted to the House. When the House approved votes and 52a of Supplementary Estimates (A), it allowed for compensation to be paid to importers till the end of the year.

Those makeshift measures obviously do not provide for an adequate permanent base for government programs, less so with regard to those we are concerned with and which involve such great sums of money. The House will realize the importance of putting before Parliament as soon as possible the terms of adequate regulations.

[Mr. Macdonald (Rosedale).]

● (1520)

[*English*]

I hope that the degree of familiarity which most members have with the background to and content of this bill from our previous lengthy hearings in the standing committee on Bill C-18, and from more recent committee discussion of the votes connected with oil import compensation, will enable the House to give these measures speedy passage without a sense that the careful review which is equally necessary has been in any way foregone.

I would like now briefly to review the structure of Bill C-32 in relation to certain stated aims of the government's oil and gas policy. I should like to draw the attention of the House first to part II, the domestic oil price restraint. A central feature, perhaps the central feature, of our oil and energy policy relates to the pricing of domestic crude oil. The government's declared policy is that domestic oil prices should be high enough, but no higher than the level required to bring forward an adequate supply for Canadian requirements. This is a simple enough principle to express, but let me say that I am under no illusions as to the potential difficulty of its application. We recognize two main aspects of this supply price—a technical aspect and what I might call a social aspect.

As to the technical aspect, my department continues to refine and develop assessments of the net price necessary to attract the capital, trained manpower and technology which, applied to our resource base, will provide the supply we will need in the future. The social aspect consists primarily in finding a position of equity between the needs and interests of consuming and producing provinces in relation to the return which is necessary to justify the exploitation of this non-renewable resource.

We must recognize that this price is bound to change over time. For the moment, however, we have a price for crude oil of approximately $6.50 per barrel at the wellhead in Alberta which reflects consensus among the first ministers of Canada as being the appropriate price level to obtain for the period through to July 1, 1975. We do not pretend that this agreed price necessarily meets all the criteria of technical adequacy and social appropriateness by which it might be judged. I do believe, however, that it satisfactorily achieves for the moment a reasonable balance between the interests of consumers and producers in Canada, as well as protecting our national economy from the extraordinary surge of oil prices which took place in international markets during the past year.

The basic reference price of $6.50 which was achieved by consensus at the first minister's energy conference in March could readily have become the prescribed price referred to in part II, division I of the present bill. It would have been but a small step for the government of Canada and the governments of the producer provinces to enter into agreements to give the $6.50 price the character of a prescribed price according to this part.

While it is the government's earnest hope and desire that the price of oil from the producer provinces will always be determined at mutually-acceptable levels by agreement with those provinces, realistically it is prudent

that the federal authority, as the final arbiter of interprovincial interests, should equip itself with powers to provide for oil price restraint in situations where either such agreements cannot be reached or, having been reached, are terminated or are found not to be effective. These powers are embodied in division II of part II of the present bill.

The government is most hopeful that the exercise of such powers will not be required. However, the potential tensions between producer provinces and consuming provinces are such that the only wise course is for the federal authority to equip itself with this latent power. Moreover, it could be that agreement having been reached as to a prescribed price under division I of this part, the province or provinces concerned might find it legally unenforceable, in which case the procedure envisaged in division II would have to be applied.

The federal policy in respect of oil prices means that for the moment, and conceivably for some time to come, the price of Canadian oil will be significantly below the international level. The House is aware that, as a nation, we produce approximately the same volume of oil as we consume. However, we are, by the facts of geography, an important oil trader; about half of the oil we now produce is exported to the United States while about half of our consumption requirement is met by imports from overseas. Special measures are therefore needed if consumers across Canada are to benefit from a domestic oil price level below the international price.

[*Translation*]

Mr. Speaker, about Part IV of the bill which deals with the single price policy for oil, the second essential objective of the government policy is to set up a single price for oil in Canada taking into account, however, the differences in transportation costs and quality. Practically, this will mean that a refinery in Toronto will pay the same price for its crude as a refinery in Edmonton excluding, of course, the difference in transportation costs.

Still, under certain circumstances, with which I shall deal later, it may be necessary to alleviate some abnormally high transportation costs. Similarly, the same oil should be worth the same price at the Montreal and Halifax refineries, the only differences stemming from the cost of moving the oil from overseas suppliers to the refineries.

As far as the government policy is concerned, the problem is one of adjusting the price of the oil products of the Montreal refineries, which use very expensive foreign crude oil, to that of the Toronto refineries which use a far less costly crude oil for western Canada.

Division I of Part IV of the bill stipulates that part of the mechanism must serve to achieve uniform prices through the setting up of an importer compensation program, in fact this was done when Parliament voted certain sums to that effect.

Last January, when the ministers of Energy held their first conference, the "cushion" concept was studied and accepted with regard to international oil prices in those parts of Canada which rely on imported oil. Later, its implementation led to the achievement of our objective, that is the standardization of the cost of crude to Canadian refineries, due allowance being made for the differences in transportation costs and quality. As a result, we saw, for the first time in many years, a remarkable uniformity in wholesale prices of petroleum products.

As an example, the cost of gas is now the same in Montreal as in Toronto. There is a difference of tenths of one cent in the cost of heating oil between those two cities. In Quebec City gas costs just over 1 cent a gallon more than in St. John, N.B. The difference in gas and heating oil prices in the Prairies and Central Canada merely reflects the differences in transportation costs of the crude oil to refineries; it also shows how keen the competition is in Alberta as far as natural gas is concerned. Therefore, we have already succeeded in applying efficiently throughout Canada the single price policy for oil, in spite of geographical characteristics that mark the oil sector of our economy. The House is now asked to establish a permanent regulation for this important aspect of our oil policy.

The government attaches great importance to the single price policy for oil across Canada. Without this legislation, the import-dependent areas would be subject to fluctuations of world prices controlled by OPEC and would actually have to pay oil over $4 or $5 a barrel more than areas supplied with Canadian crude products. That would create an intolerable situation and would bring about tremendous differences between oil-consuming areas and industries. It is almost impossible to imagine the consequences that could result to our way of life and our commercial activities.

The statements made by the Provincial Premiers left no doubt about how important they consider the upholding of price controls, and showed they recognize the marked cost factor of oil in our national economy.

● (1530)

[*English*]

In circumstances where overseas oil supplies are readily available, as they presently are, albeit at high and fluctuating price levels, the single oil price policy can be implemented by means of the import compensation program. However, overseas oil supply could again be subject to disruption as it was last fall and winter. The government is acting vigorously to plan for such emergencies. Earlier this year, the Energy Supplies Emergency Act created an allocation board which is now developing plans to deal with internal aspects of supply stringency. On the international front, Canada has been closely associated with the development of the international energy program which has as its central feature a system of international oil allocation.

Given the size of our domestic oil producing and refining industry, there is much which Canada can do to help itself in circumstances of stringency in overseas supply, but at a cost. Because of the great distances in our country, such help by way of transfers of oil between regions is very expensive. The large-scale shipment of western Canadian crude oil, first by the Seaway and then via Vancouver and the Panama Canal, a distance of some 8,000 miles, was probably the single most important factor enabling the oil industry adequately to maintain product supplies in Quebec and the Atlantic provinces last winter.

The additional cost of the Panama movement could be great, possibly amounting to some $2 per barrel, or about four times the cost of moving oil from Edmonton to

Toronto by pipeline. Shipments of residual fuel oil from eastern Canada, which usefully supplemented the supply of industrial fuel to British Columbia, were made at a similar extra shipment cost.

In a possible future emergency, such extraordinary movements could only take place, on any realistic basis, either if the companies effecting them could recover the additional costs from the market or if those companies were to receive compensation from government for those costs. Market cost-recovery would necessarily involve a breach of the single oil price policy, which the government is not prepared to countenance. Apart from the question of principle, the difficulties of allocating increased transportation costs between regions will be obvious.

The government, therefore, proposes that provision should be made for compensation to be paid by government for abnormal transportation cost incurred in the emergency delivery of petroleum into any areas of Canada experiencing a shortage in supply. Powers to extend such compensation have been incorporated in division II of part IV of Bill C-32. The triggering mechanism is a recommendation of the Minister of Energy, Mines and Resources to the governor in council, which in turn directs the Energy Supplies Allocation Board to implement division II. These powers will be used only where an emergency situation exists.

I should point out that this could be an emergency different from, and perhaps occurring prior to, the declaration of a state of emergency so grave as to bring into play the allocation mechanisms under the Energy Supplies Emergency Act. Indeed, action by the oil industry to transfer supplies on the basis of compensation to be provided under this part of the act could well remove an existing shortage of supply without further moves by the government. We would hope in this way to be able to forestall the development of circumstances in which the full allocation procedures of the Energy Supplies Emergency Act would have to be called into play.

In short, the House should look on this provision as an instrument complementary to the powers under the Energy Supplies Emergency Act and to the steps being taken in relation to the international energy program. The intention is to safeguard Canadian oil and energy supplies in an emergency, without impairing continued implementation, in those circumstances, of the essential principle of a single oil price across the country.

A necessary corollary of a domestic oil price level below the international market is some provision to ensure that Canada retains the higher value available from sales of domestic oil in international markets. Parliament already recognized this when it passed the Oil Export Tax Act in January of this year, with its provisions for the levying of flat rate export taxes, on crude oil only, in the period from October 1, 1973, through April 1, 1974. Part I of Bill C-32 provides for a "tariff of charges" on the exportation of oil, including oil products.

As I remarked earlier, export charges have been paid by industry on a voluntary basis since the beginning of April, and the provision in part I is needed to supply an ongoing legislative basis for the export charge. Determination of the amount of the charge is linked to the National Energy Board's assessment of the just and reasonable price for Canadian oil in the export market. In setting this price in relation to section 83 of its act, the board takes into account the general public interest.

The proceeds of the oil export charge represent an important contribution to the consolidated revenue fund. Similarly, the costs of oil import compensation are a significant charge on the fund. Estimation of the respective financial magnitudes is a matter which must interest this House greatly, but which entails great uncertainties. For example, overseas oil supplying countries have shown themselves capable of implementing retroactive tax adjustments, and in many cases contractual supply arrangements can be such that the retroactivity has to be accepted by importing companies as a contingent liability. However, our export charge per unit is assessed each month on what is intended to be a firm basis. We therefore have a "once for all" export charge on the revenue side, but face an import compensation liability which may be subject to some retroactive change at the instance of a foreign government.

Another problem area is the estimation of the aggregate volumes which will bear the export charge and which will be liable for import compensation. For example, our rates of export are dependent in part on market conditions in the United States—which are difficult to predict—as well as on the National Energy Board's determination of quantities surplus to Canadian needs. The volumes of imports qualifying for compensation, that is, the net amount of eastern Canadian consumption supplied from foreign oil, are difficult to assess on the basis of past experience.

However, assuming an average export charge in the present fiscal year of slightly less than $5 a barrel, an average import compensation of $4.50 a barrel, average exports of crude oil and products of some 860,000 barrels a day, and average compensable imports of some 790,000 barrels a day, we arrive at a compensation liability of approximately $1.3 billion and an export revenue arising of approximately $1.5 billion. I must stress that these are "order of magnitude" estimates and not precise forecasts. I put them forward, not without hesitation, because I believe the House would wish to have some guidance in this area. However, I must stress that the estimates are only as good as the assumptions which they embody, and some of these could quite well be invalidated before the end of the fiscal year.

● (1540)

As to unit amounts of export and import compensation, it is my general expectation that the average per barrel export charge would somewhat exceed the average per barrel import compensation, largely because of quality: the oil that we export is generally of a lighter grade and of a lower sulphur content than the oil we import. As to the aggregate volumes of exports and imports, in making this estimate it has been assumed that in the balance of the fiscal year no significant reduction will take place in export rates. As the House knows, this is a question upon which the National Energy Board has held extensive hearings.

Concerning the succeeding fiscal year, I think I would be committing a hostage to fortune if I were to produce at this time an estimate of the balance of revenues and

expenditures. Suffice it to say that this matter is under constant review in my department.

Part III deals with domestic gas price restraint. A most important and necessary new element of the bill respecting the Petroleum Administration Act is part III, which deals with the pricing of natural gas primarily in interprovincial trade, and incidentally in extraprovincial trade as gas moves toward the international boundary and is destined for the export market.

Natural gas is an extremely valuable energy resource. However, as a result of historical circumstances and the particular commercial relationships and regulatory procedures existing in the gas industry, it is a resource which is presently seriously undervalued in Canada in relation to competing energy resources. This is an unhealthy situation leading to distortions within the energy economy and as between consumers of different fuels. It is resulting in wasteful use in some instances of a precious resource.

To avoid distortions both in the supply and in the consumption of competing fuels, an integrated and consistent approach to pricing is required. I think that all of the participants in our energy economy would assent to this principle. The problem is to achieve this consistency in a manner which strikes a balance between the interests of consumers and the ambitions of producers.

This question of finding an appropriate pricing mechanism for natural gas has been the subject of intensive discussion with the producing interest, represented by Alberta, and the consuming interest, represented chiefly by Ontario. We have seen, over the past few years, the tension between these two interests marked by lawsuits, by threats to withhold gas and by threats to challenge provincial legislation. In a series of discussions we have had with the two governments, both together and on other occasions individually, we have proposed a phasing to commodity value, which would yield increasing returns to the producing region, but over stages that would cushion the impact on consuming regions.

In the past several months we have indicated that while we would hope to arrive at a compromise, federal authority of the kind sought in the bill would be necessary in order to carry out any agreement. We have advised the provinces of our intention to exercise our jurisdictional responsibility in this area.

Mr. Stanfield: May I ask a question?

Mr. Macdonald (Rosedale): Certainly.

Mr. Stanfield: The way the minister put that, he suggested that the power would not be used to impose agreement, but to implement one. Is that what he meant?

Mr. Macdonald (Rosedale): I shall be dealing with that point in my next two passages. If I do not answer the question satisfactorily, I shall be glad to receive a question at the end. At the moment, gas prices for domestic consumption are being shaped principally by arbitration proceedings taking place under the Alberta Arbitration Act, which specifies the criteria for determination of the value of natural gas in terms of its commodity value in markets served. By "commodity value" under that act is meant the thermal value of natural gas determined in relation to the price of substitutable energy competing with gas and after allowance for the premium value of gas as a fuel.

The federal government is not opposed to this pricing principle. However, the extent of the gas price increase needed to achieve commodity value is now such that an abrupt rise to this level could prove very disruptive. For example, there may be situations in which industrial consumers of gas will have to switch to alternative fuels upon gas being priced at commodity value. In these circumstances, it would be reasonable to provide a transition period. If this transition is to be accomplished without confrontation between producing and consuming interests, a federal presence in the gas transacting area of our energy economy is required.

[*Translation*]

Such is the purpose of Part III of the bill. It is intended to regulate the gas trade and it sets goals similar to those of the oil policy. It is also meant to maintain balance between prices of alternative fuels in Canada.

This approach compares to the one explained in Part II of this bill and Parts II and III of Bill C-18 of the previous Parliament concerning oil. It is provided that the federal government and producing provinces, and this refers to the question of the Opposition Leader (Mr. Stanfield), will determine the price of gas by agreement. In case such agreements are not reached, or if they are but are not put into effect for any reason or if they are declared ultra vires by a provincial government, as is the case for oil, it is provided that the federal government will give itself increased powers. While the goals for gas are similar to those set for oil, differences in the principles of transactions of these two products give, in Part III, a more simple situation for gas than the one for oil described in Part II. For example, it is not necessary to put up a system of licences to regulate the interprovincial movement of gas at preset prices.

[*English*]

To sum up, if I might, for a moment on the question asked by the Leader of the Opposition (Mr. Stanfield), in the discussions, primarily with the two provinces affected, in this regard we have suggested the general principle of phasing to commodity value with regard to petroleum or petroleum products, and have suggested a timetable of five years of appropriate steps that might be taken. This is, I think, a question very much in negotiation and we hope the negotiation will be successful.

With respect to the public statements of the various ministers, I think I would be correct in saying that in the statement of the Ontario minister of energy there is acceptance of the principle of a higher price, and in the statement of the Alberta minister there is acceptance of phasing. I would hope these two positions can mature into an agreement. But an agreement, for legal reasons, would have to be enshrined in action taken at the federal level with regard to the interprovincial price of gas.

Mr. Stanfield: If there is no agreement, what is the stance of the federal government?

Mr. Macdonald (Rosedale): In respect of petrol and crude oil, if there is no agreement between the parties or if, for example, agreement should fail perhaps in respect of

natural gas because of the long-term contracts, the federal government would have to take action pursuant to the regulations to stipulate what the price level would be.

[*Translation*]

Mr. Speaker, Part V, the next one, is entitled: "General".

Part V confers on the Minister of Energy, Mines and Resources the necessary administrative powers to prevent infractions to this Act. These powers include the right to demand information and examine files on the premises, whenever there are reasons to believe that this act has been contravened. In case he is refused, a judge could issue an order to confirm these rights. On the other hand, citizens are entitled to a certain degree of protection against administrative abuses.

Moreover, if requested by the Minister, the Energy Supplies Allocation Board may also review the prices at which domestic oil, foreign oil, oil products and gas are being sold in Canada, and may also submit reports and recommendations to the Minister.

Finally, under Part V, the Minister must submit to Parliament, following each fiscal year, a report on the amount of revenue from the charge imposed pursuant to Part I, and on the aggregate amount of compensation paid out pursuant to Part IV.

● (1550)

[*English*]

In conclusion, Mr. Speaker, I commend Bill C-32 to the House for its careful consideration and prompt passage. The objectives which it seeks to achieve are for the most part familiar to members as being now well-established components of an integrated national energy policy. The provisions for export charge, import compensation and oil price restraint are essentially as they were in Bill C-18 of the last parliament. Where changes have been made, they reflect experience and knowledge accumulated in the intervening months.

The measures for gas price restraint represent a logical step to deal with the uncertainties of the present gas pricing situation. The provision in part IV, division II for compensation to be paid for emergency movements of oil between Canadian destinations is, I suggest, a prudent provision in the present circumstances of instability affecting the supply of world oil and a necessary complement to measures already taken or contemplated.

Important elements of our oil and energy policy have been endorsed by the consensus of first ministers, although it cannot be fairly represented—and I make the point specifically now—that Alberta agrees with us in the matter of gas pricing. The Alberta ministers indicated that they would, of course, oppose that particular approach. I believe that the direction of our policies has widespread public acceptance. This consensus has in large part been implemented by informal or temporary measures. It is now the responsibility of parliament to give formal expression to its will in these matters as incorporated in Bill C-32 which is the focus for this debate and decision of this question.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, this is the second time the principle of this bill has been discussed in the House. When the bill was introduced in the last parliament as Bill C-18, we thought it was just to put into legislative form the agreement that the 11 governments made on March 27 last year. Today the Minister of Energy, Mines and Resources (Mr. Macdonald) indicated that some changes had been made in light of the experience of the last four or five months. That means we are into an entirely new ball game, Madam Speaker. What makes it different and new is that what we thought was a temporary measure turns out to be permanent. We thought the previous legislation was just a temporary means of carrying out an agreement reached by the 11 governments, but from the minister's speech today it is obvious that he looks upon this as permanent legislation to control prices on a permanent basis.

[Mr. Macdonald (Rosedale).]

It is clear that this permanent measure refers to all products made out of crude oil, out of the tar sands and out of natural gas. The minister kept referring to the fact that this is part of an integrated energy policy, so we must assume that next it will refer to hydro power and after that nuclear power, and so on. So we are dealing with a new situation entirely, Madam Speaker; not the one we thought we were dealing with last spring.

The debate on second reading lasted two days last spring. The seven speakers who participated for the official opposition mentioned the dangers they saw in moving into the very sensitive area of federal-provincial relations, and they put forward ideas for strengthening and improving the bill. In committee, we were intent upon being provident housekeepers, looking at the terms of the bill and the auditing conditions. Witnesses such as officials of Imperial Oil of Canada and the attorney general of Alberta were called. We found out from the latter gentleman that although much of this bill is according to the understanding between the 11 governments, part III was not part of that understanding.

Part III shows us that when dealing with matters of federal and provincial jurisdiction we need all the help and competence of the people in our system of communications and consultation. The attorney general of Alberta said in very clear terms that part III was not only part of the understanding arrived at by the Prime Minister (Mr. Trudeau) and the ten premiers, but that Alberta could not agree to it. This bill is simply a flat, brutal statement, in the name of bureaucratic efficiency, that if there is no agreement the federal government has the power—and intends to use it—to impose unilaterally a price control system in Canada. I suggest that the question of price controls, as evidenced by court decisions over generations, is purely in the provincial field.

We had an election last summer. I got the impression at that time that the government was opposed to wage and price controls and other parties were also. But one of the first acts of the government in this new parliament is to bring in a bill—not just a housekeeping bill to get us by for a year or so and to adjust to the new situation of petroleum in the world, but permanent legislation to control prices. This first step in the area of control will lead to the control of other products, Madam Speaker, and eventually to wage control. That point should be kept in mind during this debate. Although this government campaigned against wage and price controls, it is now using the excuse

of the difficulties of last fall in the oil market to bring in legislation such as this on a permanent basis.

Madam Speaker, at this point, regardless of the feelings of some of my colleagues and some provincial cabinet ministers, I should like to compliment the minister on the way he has handled and has learned one of the most involved and complicated subjects in the world today, that is, energy in the form of oil and gas. Speaking as one who has spent his life looking at the economics of the oil, gas and related energy industries, I recognize the work the minister has done and yield to no one in paying him a compliment. On the reverse side of the coin, it must be said that some members on my side of the House and, I hope, members on his side, have grave reservations about the government's moving so rapidly and, if I may say so, in a blundering way in the direction of price and wage controls, which is the ultimate thrust of this bill. So in discussing this bill I will put forward some of its principles upon which we all agree.

● (1600)

All parties in this House hope that, with God's grace, we will have energy available for many decades to come and that we will be advantageously placed in this competitive world to provide energy at lower prices for all Canadians. Not only must prices be lower for the benefit of consumers and industry, but they must be lower to attract investment to this country: it will come because we have cheaper energy resources on which to build secondary and tertiary industries. All parties support that principle. This bill will make it possible; we do not dispute that.

I was interested to note that the minister has changed his position with regard to the price level of oil. Most of us think that if the system is to work, the single lower price for all Canadians would need to be increased, over a phased period, to a level within shooting distance of the world price, otherwise intolerable stresses will be built up in the industry. Now the minister says that the price is to be significantly lower. All consumers in Canada back him on that statement. However, he also said that the price must be high enough to attract sufficient investment to this country to ensure a continued supply of oil, gas and other energy resources. That is where the wisdom of Solomon is required.

I hesitate to say flatly that on the basis of evidence available to those representing oil and gas producing areas, the price of $6.50 will not provide oil and gas in future decades and will enable us to meet the needs of our consumers and industrial concerns. I know that when the minister first entered this ball game he spoke of world prices and prices available at Montreal. Now he suggests that the price is to be significantly lower, which will make every consumer in Canada happy. Yet he says that he hopes the price will be high enough to encourage further production. I do not think any person in this House can pretend to know what that price will be eventually. I am sure the minister feels, as most of us do, that the price of oil will bear some relation to the price of the volume of gas required to provide an equivalent amount of thermal power. The same principle applies to other fuels.

The government and the official opposition have agreed on the principle of bringing in increases by stages so that our people will not suffer the shock of going from $3 per barrel—the price at which we have been stealing it from the Arabs for 50 years—up to $11 per barrel. We all agree that the price should go up, but that there should be a differential between the world price and the Canadian price. It is possible, under this legislation, for that increased price to be reached in stages. This must be done through constant consultation between producing and consuming provinces on a daily or weekly basis, because conditions are changing rapidly.

We also agree on another principle. In this adjustment period when we are moving from $3 per barrel to whatever the final price will be—it will be related to the energy commodity price level, no doubt—we must provide a cushion for consumers who would otherwise suffer the impact of a sudden increase in offshore oil prices. It has been said in this House that Canadians owe a great debt to the people of Alberta and Saskatchewan who agreed voluntarily to provide the bulk of the oil needed to provide this cushion. You do not read in the newspapers of Quebec, Ontario and the maritime provinces that Alberta and Saskatchewan—have-not provinces only a few short years ago—are subsidizing Canadian consumers of oil, no matter whether they are driving their cars or heating their homes.

These two provinces are subsidizing consumers east of the Ottawa Valley at the rate of $1,300 million a year. As well, the people of these two western provinces are subsidizing the rest of the people of Canada. The owners of this resource have also subsidized the people of Ontario and those of other consuming provinces. That Canadians are willing to take on the responsibility of subsidizing Canadian consumers of oil, whether they are heating their homes, driving their cars or using it in manufacturing, speaks well of the common bond which hold this nation together.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Although the western provinces have accepted the tremendous burden of subsidizing Canadian consumers of oil to the tune of between $2.5 billion and $3 billion a year, this bill does not specify how long the people of those two western provinces must, with their depleting capital resource which is disappearing by the hour, maintain this subsidy. This brings me to my fourth principle, on which I think all parties agree. When we discussed a similar bill last spring, it was suggested that there should be a *quid pro quo* for the provinces which produce oil. The bill of last spring did not mention such a *quid pro quo*. In this new bill, despite all our talk of producing oil from the oil sands and producing natural gas, there is no mention of a *quid pro quo* for the producing provinces.

I know at the meeting of first ministers it was arranged to give back $100 million to Saskatchewan and a different amount to Alberta. However, by no stretch of the imagination does that meet the full measure of the burden these two provinces are carrying in the interest of national unity.

● (1610)

Last spring the minister heard in committee about amendments that were proposed. They were not laid on

the table of the committee, but shown to the various parties represented there. These were to recognize what Alberta and Saskatchewan are doing today on behalf of national unity. The legislation should enshrine the intention of the federal government to make a reasonable *quid quo pro* if there is any surplus.

The fifth principle that I think should be in this bill is that of consultation. When you have responsibility and jurisdiction on the federal side and on the provincial side, over and over again there will be overlapping. In the case of some of our resources, such as agriculture and fisheries, the constitution allows for equal powers of both levels of government. However, in the field of oil responsibility for the ownership and the enjoyment of this resource falls under the British North America Act and the amendments of the Alberta Natural Resources Act and the Saskatchewan Natural Resources Act are beyond debate. These resources are the property of the people in those provinces.

Therefore, as the Leader of the Opposition (Mr. Stanfield) pointed out, the question of consultation should be enshrined in this legislation. If agreement is not arrived at in voluntary fashion, then we will have a centralized, bureaucratic type of government at the federal level. I do not think Canadians as a whole, whether they belong to the "have" provinces in oil, or not, want to see this principle established just because the people of Alberta and Saskatchewan are minority groups. This argument applies to all potential resource areas.

On the question of consultation this bill fails to meet the test of legislation to which we all agreed. In the spring we were not sure about just where we stood on the constitutional issue. Nearly all speakers on the Conservative side raised this matter as a danger. We did not take active, strong, decided opposition to this bill because we thought it was carrying out a temporary agreement between the ten provincial premiers and the Prime Minister. We thought it would be off our backs in a year or so. However, when we read the budget on May 6 and saw the provisions whereby the federal government declared open war on every province, at the constitutional level and the economic level, then this piece of legislation which we are discussing made itself part of a pattern that is extremely dangerous. We now have no choice but to rise and say in loud voices, hoping that the country will hear, that this is a new ball game. Section 109 of the British North America Act makes this very clear. I quote:

All lands, mines, minerals, and royalties belonging to the several Provinces of Canada, Nova Scotia, and New Brunswick at the Union, and all sums then due or payable for such lands, mines, minerals, or royalties, shall belong to the several Provinces of Ontario, Quebec, Nova Scotia, and New Brunswick in which the same are situate or arise—

That is as clear as you can make it. Section 125 reads:

No lands or property belonging to Canada or any Province shall be liable to taxation.

No provincial government can tax the federal lands of the national parks, federal lands that belong to us, because it is against the constitution of this country. However, this government, on May 6 in a budget, broke the constitutional terms and said that any provincial tax or royalty which is part of a property—it is a share that goes to the provincial government in right of the Crown—is non-deductible, and therefore taxable. This breach of a constitution which is only 107 years old is part of this debate. When you see the machinery being set up in this bill for permanent price controls, for unilateral action by the federal government over oil from natural sources and over natural gas and oil coming from synthetic production of the tar sands, you realize the path we are following.

As you go through the various statutes that deal with this question, the responsibility that should rest on each one of us is simple: are we honouring the agreement on which this country was based? I come from an area which is now called the province of Saskatchewan. It was not treated as an equal when it was set up as a province. The people who preceded me in that province fought against the decision of 1905 which set us up as a colony. The wheels of fortune changed, a Conservative government was elected at Ottawa and we finally received justice. I am referring to the Saskatchewan Natural Resources Act of 1930. I shall read the preamble. I know that all the ghosts of several years of political effort are with me at this moment. The preamble reads:

And whereas the Government of Canada desires that the Province should be placed in a position of equality with the other provinces of Confederation with respect to the administration and control of its natural resources as from its entry into Confederation in 1905—

In 1930, a Conservative government in power in this House gave justice to Saskatchewan and Alberta. It made us equal with the provinces and master of our own resources. I quote further from the Saskatchewan act:

And whereas the Government of the Province contends that, before the Province was constituted and entered into Confederation as aforesaid, the Parliament of Canada was not competent to enact that the natural resources within the area now included within the bondaries of the Province should vest in the Crown and be administered by the Government of Canada for the purposes of Canada and was not entitled to administer the said natural resources otherwise than for the benefit of the residents within the said area—

It goes on to say that this agreement was made and signed, and if there are to be any changes this provision is enshrined in section 26:

Amendment of Agreement

The foregoing provisions of this agreement may be varied by agreement confirmed by concurrent statutes of the Parliament of Canada and the Legislature of the Province.

May I say I am not pushing for statutes to make agreements. When you are confiscating the resources of somebody else by mutual agreement, that is one thing. I am simply saying this bill is a poor bill because it says nothing about an agreement having to be made by common consent with the man from whom you are stealing.

● (1620)

Mr. Saltsman: Compensation implies that there is no agreement.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I hear a voice—

An hon. Member: In the wilderness.

Mr. Hamilton (Qu'Appelle-Moose Mountain): —which received a call from the voices at Ottawa last August, who said, "The Prime Minister wants a policy to keep prices from rising." This voice heard the call and said, "The way to do it is to put controls over oil and impose an export

tax." So the father of this legislation does not sit on that side of the House, but is the voice I just heard.

Mr. Saltsman: Just call me papa.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I want to give an opportunity to the former leader of the New Democratic Party to take part in the debate before five o'clock, so I will bring my remarks to a close. The point I want to make is that the budget of May 6, 1974, was an attack on all the provinces and not just on the "Arab" provinces of Alberta and Saskatchewan.

An hon. Member: Explain.

Mr. Hamilton (Qu'Appelle-Moose Mountain): When you say to all the provinces, "If you are taxing your resources at 50 per cent, the federal government will turn round and take that 50 per cent", it is no longer a battle between Alberta or Saskatchewan and the federal government: every province is under attack, whether it be British Columbia with its forests, or Ontario and Quebec with their mines, or Newfoundland with its hydro power. Every province which contains a resource is under attack. Even the land taxes imposed by Ontario are vulnerable. If provinces wish to retain the point of view that under the constitution certain powers are given to the federal government while certain other powers are retained, they should recognize that the budget of May 6 was nothing less than a declaration of war.

If we look at tax decisions arrived at by the courts over the decades we find that over and over again, when a province levies a tax which it has a right to levy under the constitution, and when that tax interferes with a tax already put in place by the federal government, the courts overrule the province. Likewise, when the federal government, acting within its jurisdiction, seeks to impose a tax which has the effect of sterilizing or nullifying a tax imposed by a province, the courts hold that the first authority to impose the tax, when it has the right to do so, is the one whose position must be upheld.

This is a matter which will be dealt with later by members of my party who are better versed than I am in questions of constitutional law. However, I know enough about history to assure hon. members that there is a considerable body of opinion upon this subject. I will put just one quotation on the record as an illustration. The author has the name Laskin, and the subject of the book from which I intend to quote is Canadian constitutional law. In this passage, the author confirms what I have just said:

> The respective taxing powers of dominion and provinces may not be used by either of them to sterilize powers conferred by the other upon its functionaries or substantially to impair their status.

This means that neither jurisdiction acting within the constitution can do anything to impair or sterilize the other jurisdiction acting within the constitution in the exercise of its powers. One government cannot negate what the other is doing. But this is what happened in the budget. I know, and Canadians know, that what we are witnessing in this budget is a fight for power between greedy governments, and I cannot see much difference between the provinces and the federal government in this fight. I have brought along, for the edification of some of my innocent colleagues, a statement made by a cabinet minister in this imperialist regime. He was speaking in Estevan during an election campaign. This minister—everyone knows who he was—said, "Claiming royalties was allowed in the past because it was a relatively insignificant amount. Now it is a major provincial tax, that is wrong."

In other words, a long as you are doing it under the constitution and only taking a little bite in the form of royalties, the federal government will not interfere, but if, though still following the terms of the constitution, you take more, it is a sin. That is a new principle of justice. A second statement by the same minister was, "The provinces are getting an unfair share of our revenues and the budget cannot allow this to happen."

Those passages are from the minister's speech. If the provincial royalties were allowed, the minister claimed, provinces would be encouraged to make royalties as high as possible. Imagine that! As a partner in a property, you have been content with one-eighth, then the value rises so high that you ask for a half and get it. It is all right to take one-eighth, but it is wrong to take a half. That is what the Minister of Justice (Mr. Lang) said. Imagine the provinces, asking for more money! That is a terrible thing. To be quite frank, I think they asked for a little too much, but the fact is that the federal government went in and started grabbing, too.

An hon. Member: To the benefit of the majority of the Canadian people.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Another statement from the Minister of Justice was, "Canadian tax revenue from oil should be the same irrespective of where the wells are located." He did not like different rates being imposed. But what is wrong about there being a different rate in each province? I will say no more about the Minister of Justice.

This legislation started out with a temporary bill; now it is to become permanent. It will affect oil sands, natural gas and the development of hydro power, including the James Bay development. That is bound to make Mr. Bourassa happy. It will affect the Labrador development. Mr. Moores will be up here immediately. It will have a bearing upon the Columbia River development. That playboy will really be down here giving press conferences. When they begin developing Fundy power, I can see the premier of Nova Soctia coming here on the next train, or maybe flying his plane. Hydro power must be included, if everything is to be brought under control. Ontario is building four big nuclear power plants. They will have to be brought under the control of the federal government. The same applies to all other sectors of provincial resource development.

● (1630)

In conclusion, Mr. Speaker, may I say that the principle of staging is not fully dealt with in this bill. There is no principle of *quid pro quo* in the bill; neither is there any clause providing for consultation. I point out that this is part of a pattern that is developing. As I see it, it is part of a pattern to move centralized power to the bureaucrats here in Ottawa. At the same time, the government is

willing, where there is a power position in the provinces, to destroy the resource companies through this innocent kind of ping-pong game. I say flatly, Mr. Speaker, that the minute you move the government into a position where it will control prices and wages, the consumer is the one who is going to get hurt.

Secondly, Canada's great opportunities which stem from our resources, particularly of energy and water, are being checked the minute government controls are put into place. We know that the government has alientated the west and is trying to take us back to colonial days, days we have just left.

Finally, the bill does not entrench or enshrine the principle of consultation. We do not have time to go through all these slow steps required to put things in statutes, as we used to 35 to 40 years ago. However, if the bill contained a clause providing that the government must consult, and that orders in council are accepted as statutory legalization of their action, then I think we could go along with it. I submit that the bill should be sent back for rewriting before asking the House of Commons to accept such a major change in the constitutional practices of this country.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, Bill C-32, which will be known as the Petroleum Administration Act, has some features which the members of the New Democratic Party support and which we were the first to propose in this House. The bill also has some features about which we have decided reservations.

Let me deal first with the aspects of the bill of which we approve. The bill puts into legislation two policies which the New Democratic Party have been urging upon the government for at least two years. The first is a two-price system for oil, which would keep prices in Canada lower than the world price, and imposing an export tax or tariff charge so that the difference between the domestic price and the world price will accrue to the public treasury. In our opinion, this money could be used to compensate for the higher prices for imported oil which must be paid by people in Canada east of the Ottawa Valley, and I hope some of the money would also be used by the federal government and the governments of the producing provinces to develop, through some kind of joint arrangement, new sources of oil under public ownership.

The second feature of which we approve is that the bill seeks to establish a single price for oil plus, of course, transportation and handling charges, so that all Canadians will benefit equally from our petroleum resources. We in this party welcome these provisions, but we have serious misgivings about the method of compensation payments to the oil cartel and the increased prices which the minister has intimated will be paid to the gas companies in the future.

The details of these questions we can discuss more fully when the bill goes, as I hope it will, to the Standing Committee on National Resources and Public Works, as well as when the bill is reported back to the House at the report stage, and at third reading. However, it seems to me that this bill requires us to look at the much larger question of a national oil policy as part of an over-all energy policy for Canada.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

It should not be necessary to remind the members of this House of our dependence on energy for our future development and survival. Napoleon is quoted as having said that an army marches on its stomach. There can be no doubt that every industrial nation's progress or deterioration is in proportion to the availability of its energy supplies. Without adequate energy supplies, living standards in Canada could revert to those of the last century. So we have to ask ourselves: Do we have a national energy policy? Do we have a national oil and gas policy? If so, what are these policies? I suggest that we do not have a national oil policy for the Canadian people. What we have is an oil policy which has been foisted upon successive Canadian governments by the major oil companies, most of whom have their head offices in the United States.

I was very interested in the speech which was made to the Sierra Club of Ontario by Mr. Robert Macaulay, a former Ontario cabinet minister who represented the Ontario government before the National Energy Board and who served as counsel to the Ontario Energy Board. In the course of his speech, Mr. Macaulay said:

> Canadians face a serious energy problem—a life and death energy problem. North America has lived in a fool's paradise. The national government of Canada for the past 10 to 20 years has drifted leaderless in the field of energy.
>
> It has been lulled to sleep by the energy cartel of North America. Industry dominance of government policy amid public indifference is an open book and is beyond dispute.

That is a very strong indictment from a man who is knowledgeable about the energy situation in this country and who is fully aware of the operations of the oil cartel. I submit that the government ought to tell the people of Canada frankly that we are rapidly running out of oil and gas supplies. It is estimated that we have about nine years' supply of oil at our present rate of increased consumption. Conventional oil fields in western Canada have already passed their peak, and we can expect a continued decline. Unless we either curtail consumption or radically reduce our exports, we could be one million barrels a day short of meeting our requirements within the next five or six years.

We ought to ask ourselves: How did we get into this position? We got into this position because the government and the National Energy Board have for years accepted the figures of our available supplies of oil and gas from the oil industry. The people of this country have been lied to about the amount of oil and gas that we still have available to meet our needs. The United States oil companies operating in this country blandly assured successive governments that there were adequate reserves of oil and gas. As a result, they were able to obtain permits to export to the United States far larger quantities of fossil fuels, which Canada could ill-afford to lose.

● (1640)

It is significant that we are still waiting for the availability report of the National Energy Board to tell us what our inventory is of hydrocarbons in this country. If one wants to see the absurdity of our oil policy, one has only to look at the government's own figures put before the Standing Committee on National Resources and Public

Works the other day. These figures are for the 12-month period ending June 30, 1974. Our production in that period is estimated at an average of 2,008,000 barrels per day, and we exported in that period 1,206,000 barrels per day. We consumed, in Canada, 1,751,000 barrels per day. To meet the deficit as a result of these large exports, we imported 949,000 barrels per day. If you look at these figures it is apparent that in the 12-month period ending June 30, 1974, Canada exported 60 per cent of its production. We shipped out of this country 30 per cent more than we brought in. If some person came from another planet he would not believe that intelligent people would allow their rapidly dwindling resources to be shipped out of the country without a word, and knowing at the same time that their supplies were close to exhaustion.

To crown this indignity, the government is getting ready to sign an international agreement which, in an emergency, will require Canadians to reduce their consumption of petroleum products in Canada while at the same time maintaining our normal exports of oil to the United States. I say to the government that it would be well to think very carefully before signing that agreement. The government's excuse for this deplorable situation is that we must export our western oil because there is no way in which we can ship it to the area east of the Ottawa Valley. This merely proves the contention that our oil policy has been industry-dominated rather than people-oriented.

Interprovincial Pipe Line has never wanted to build a pipeline from western Canada to Quebec and the Atlantic provinces because its parent company, Exxon, controls the Venezuelan oil fields and has always wanted a captive market in eastern Canada for oil which has a high sulphur content and is difficult to dispose of elsewhere. The result is that while in Canada we produce sufficient oil to meet our own needs, we still have to export 60 per cent of our production because we do not have the pipeline facilities through which to take that oil from the parts of Canada where it is produced to the areas where it is required.

About a year ago the Prime Minister (Mr. Trudeau) promised that a pipeline would be constructed to Montreal. There were two possible routes; from Sarnia to Montreal, or an all-Canadian route through northern Ontario and Quebec. The government said that while it would provide greater security for us to use the northern line, that would take a year longer and consequently it selected the less desirable route from Sarnia to Montreal. After a year, where are we? Not only is the line not started, but the application to build the line has not yet been dealt with by the National Energy Board. Interprovincial Pipe Line has asked for an adjournment, and an indefinite adjournment has been granted. The fact is that Interprovincial Pipe Line is dragging its feet. One cannot help but ask, who is running this country?

In answer to a question of mine the other day, the Minister of Energy, Mines and Resources (Mr. Macdonald) said—and I do not lay the blame for all of this situation in Canada at his feet; he inherited the result of 20 years of negligence and maladministration; he is one of the most knowledgeable ministers we have had in this field, and I think he is valiantly trying to deal with the situation—he was prepared to consider the alternative of having the government build the pipeline. We are always considering alternatives, but we have come to the time when something must be done.

I want to suggest a number of aspects of a national oil policy which have to be dealt with by this parliament. The bill before us is part of it, and the bill which is on the order paper to set up a national petroleum company is part of it; but there are many aspects of this question which ought to be brought together into a Canadian oil policy. Let me suggest, first, that it is not too early to institute measures for voluntary curtailment of petroleum consumption in this country. If Canadians were told that there will be a gap between the time our western oil supplies run out and the time new supplies from the tar sands and from frontier areas come into production, they would co-operate in reducing consumption. A reduction in consumption can be brought about without any hardship, and we ought to be asking for public co-operation to that end. I am not suggesting that any curtailment of consumption would solve the problem, but it would increase the lead time we have in finding other supplies of oil and natural gas.

My second proposal is that we should start, now, to drastically reduce our exports of crude oil. Some of our western oil could be moved east. If the pipeline were built, of course, we could move quite a bit of it. Some could be moved down the St. Lawrence Seaway, some by the Panama Canal, and some by rail; but if we could not ship all the oil that is surplus in western Canada it would do no harm to leave some of it in the ground, because we are certainly going to need it in the very near future.

The third proposal I make is that we should get on at once with the construction of a pipeline to take western oil into the province of Quebec and eventually to the Atlantic provinces. We in this party would prefer the all-Canadian route through northern Ontario and Quebec: it would give us greater security and would serve an area in Canada where a petrochemical industry and other industrial operations could be established. I do not think it will take any longer, if we begin right away to build an all-Canadian northern line, than if we sit around waiting for the Interprovincial Pipe Line Company to make up its mind and for the minister to summon up courage to do something about it.

● (1650)

Somebody must tell the Interprovincial Pipe Line Company either to begin construction of this pipeline or the government will move in. As a matter of fact, it is inconceivable to me that when the government a year ago decided it would agree to the building of this pipeline, it did not obtain an understanding from Interprovincial Pipe Line Company that if the National Energy Board approved the line, it would proceed with construction, otherwise months would be wasted with no result.

The government ought to move boldly. It has an obligation to the people who live east of the Ottawa Valley. The present situation in the Middle East is so precarious that no one can be sure that oil will be available from that area in the next few months, particularly if war should break out between the Israel the Arab nations. If that should happen, even at the very best estimate the people east of

the Ottawa Valley will go through two or three winters of uncertain oil supplies because the Interprovincial Pipe Line Company has been dragging its feet and refusing to move boldly on this project.

The fourth proposal I wish to make is that we should speed up production plans for the development of the Athabasca oil sands and the heavy oil in the Cold Lake area of the province of Saskatchewan. I do not agree with the Minister of Supply and Services (Mr. Goyer) who last year wanted us to build one plant a year. I think that is unrealistic. However, a plant could be built every two or three years in the Athabasca oil sands area.

It is possible to bring the heavy oil in northern Saskatchewan into production when adequate technology has been provided. I submit this is an area for public ownership in which the federal and provincial governments, either jointly or separately, should develop those sources of oil owned and controlled by the people of Canada with the people of Alberta or the people of Saskatchewan.

Today, almost all countries of the world except Canada and the United States have seen governments step in to take control of the oil industry and to set up national petroleum corporations to develop their resources. Most of these countries now recognize that the pressure of events is forcing them to look upon oil and natural gas as public utilities. Energy is too important to be left to the international buccaneers. In a speech made to the Sierra Club, Robert Macaulay made a comment which I should like to quote. He said:

> The open marketplace should not determine energy prices. The marketplace stresses short-term benefits, particularly profit, rather than long-term social needs. Those who won't abandon the market concept are going to bring something cataclysmic down around their heads.

I should like to say that when a Conservative really becomes convinced that public ownership is for the benefit of the people, he has the courage to say so. That worthy position was taken by a former Ontario cabinet minister who comes from a province which gave us Adam Beck and Ontario Hydro. I should like to see my Liberal friends become equally courageous about the idea of public ownership in respect of the production of oil and natural gas.

We will have an opportunity, when the minister brings in the bill on the Canada Petroleum Corporation, to see to what extent it is merely a peripheral move or a genuine attempt to ensure that we develop oil in this country under some measure of public ownership. I urge the government to consider the possibility of becoming involved in the Athabasca oil sands and the heavy oil area of northern Saskatchewan.

The fifth point I wish to make is this. If the government is not prepared itself to establish plants in the Athabasca oil fields at least, as I suggested to the minister today during the question period, we ought to be prepared to take up the share of the project for building a $1 billion plant in the Athabasca oil sands which is to be dropped by the partner of Shell Oil of Canada. The American partner, Shell Explorer Company, of Houston, Texas, has decided to withdraw because the government—I congratulate it for this—refused to agree that whatever oil that company produced from this plant could go out of the country, which would mean we would have no control over keeping our oil in Canada. The company also wanted very large tax write-offs. I commend the government for refusing this.

So the Shell Explorer Company is getting out and will dispose of its shares to someone else. This is a golden opportunity for the minister and the government of Canada to step in and take over the shares of Shell Explorer Company. This would give the government a 50 per cent equity in the plant to develop the Athabasca oil sands, and it would give the Canadian people some input into the development of those oil sands. One of the good features of this is that the government would not have the problem of having to go to the Alberta government for a licence or permit. The licence and permit have been granted, the plans are laid, the technology is completed, and the operation is ready to begin in 1976.

The government, either through the new Canada Petroleum Corporation or the Canada Development Corporation, should become a 50 per cent partner in this project. I hope the government will seize this opportunity so that this very important development of the last great resource of which we are sure in this country will not slip out of its hands into the hands of the multinational corporations. Mr. Speaker, I see you are about to rise. It is five o'clock, and I understand we are to proceed to private members' hour. Since we will not be dealing with this subject tonight, I move the adjournment of the debate.

The Acting Speaker (Mr. Penner): I thank the hon. member. It being five o'clock, the House will proceed to the consideration of private members' business listed on today's order paper, namely, private bills, notices of motions (papers), public bills.

Mr. Foster: Mr. Speaker, there have been some discussions. I believe there is a general understanding that perhaps we could move from Bill S-11, which would normally be dealt with today, to Bill C-206 in the name of the hon. member for Hamilton West (Mr. Alexander).

The Acting Speaker (Mr. Penner): The House has heard the suggestion of the parliamentary secretary. Is it agreed that that private member's bill be stood?

Some hon. Members: Agreed.

● (1700)

The Acting Speaker (Mr. Penner): Since there is no motion for papers today we will proceed to public bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

INQUIRIES ACT

AMENDMENTS RESPECTING COMMISSION REPORTS

Mr. Lincoln M. Alexander (Hamilton West) moved that Bill C-206, to amend the Inquiries Act (publication of

reports), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I am pleased that the parliamentary secretary brought me in on his conference because I certainly did not realize the procedure would be other than the disposition of Bill C-206.

An article by Geoffrey Stevens appeared in the *Globe and Mail* on October 26 dealing with the subject of private members' hour, in which he referred to members who bring bills as "candidates for oblivion". I think he was quite correct because this private members' hour could be called an hour of frustration notwithstanding the fact that it does give members of parliament an opportunity to bring forth matters which they consider important to the Canadian people.

I should like to read the concluding paragraph of Mr. Stevens' article which is right on point. He said:

> Although some of these bills will eventually be debated, (for one hour), they all have one thing in common—none will become law unless the government decides to take them over. Unless you subscribe to the quaint notion that the only people in Ottawa who are capable of thinking are those who inhabit the treasury benches, you have to be concerned about the short shrift given private members' bills. It's one more argument for a real reform of parliamentary procedure.

I certainly agree with that and I am sure all hon. members do, Mr. Speaker. I hope that the Prime Minister (Mr. Trudeau), who has indicated his interest in and concern about the role of parliamentary procedure, will read that paragraph and take it seriously.

The explanatory note to Bill C-206 reads as follows:

> The purpose of this bill is to establish a right in the public—vested in Parliament—to reports made by Commissions appointed under the Inquiries Act. Under the present law, a commission only reports to the Government which thereafter voluntarily releases the report in its own time.

I sincerely believe it essential in a participatory democracy that the public have access to information compiled by government, provided such information does not affect national security or matters which are, without question, confidential.

The bill I bring before the House this afternoon will commend itself to you, Mr. Speaker. It entails no expenditure of public funds out of the Consolidated Revenue Fund. On the contrary, Mr. Speaker, this bill, if passed, will ensure that another fund, the fund of public knowledge, will wax fat with the pearls of wisdom, gems of wit, and nuggets of information continually brought forth by royal commissions.

Getting down to the substance of the bill, it would first ensure that a report by a commission appointed under the Inquiries Act be made public by tabling in both Houses of Parliament; second, that the publication of a report would not be delayed but be tabled in both Houses within 15 days after its completion; and third, that there be an opportunity to debate a report within a time limit after it is tabled upon motion of ten members in either House. I would hope that all hon. members would look upon these criteria with favour.

Having regard to the report of the commission which inquiried into Canadian security measures and procedures, and in fact the procedure followed by that commission in its own report, there is a provision in the bill that a commission—if so authorized in its terms of reference—may omit from its report published in the House any matter that may be prejudicial to the safety or interests of Canada. The uncensored report would, of course, go to the Contemporary Secretary of State.

I do not propose, Mr. Speaker, to delve at length into the history of our Inquiries Act. My recollection is that it came to us from the United Kingdom by way of the province of Upper Canada. I do not believe it was amended over the years since its passage in the early years of Confederation except perhaps to consolidate part I and II with part II which relates to inquiries by a minister within his own department. The United Kingdom, however, amended its legislation many years ago to provide for publication of a commission's report. The amendment was made after a government got into trouble by withholding a report.

In the hundred years of Confederation from 1867 to 1966 there were 396 commissions under the Inquiries Act. Excluded from this total are the several hundred commissions appointed to investigate charges of political partizanship, and many pre-1948 commissions involving the revocation of naturalization or of citizenship. My authority for these figures is George F. Henderson's "Federal Royal Commission in Canada, 1867-1966—a Checklist". Information provided by the Library of Parliament adds four more commissions, in the period 1967 to mid-1974, for a total of 400 commissions exclusive, as previously mentioned, of those commissions relating to political partizanship and citizenship.

Mr. Henderson's introduction to his "Checklist," although only seven pages in length, is interesting reading. The following quotation from page xv is relevant:

> Today many royal commissions have become temporary government departments. To a large extent this change from the earlier, simpler form, with a few commissioners, a secretary and a stenographer who recorded evidence, has occurred because of the greater importance now attached to the gathering of data and to the preparation of "special studies". The first commission to prepare numerous studies—18 in its case—was the Royal Commission on Dominion-Provincial Relations (1937-1940). To date the largest number of special studies has been issued by the Royal Commission on Canada's Economic Prospect (1955-57)—33 in all.

Then Mr. Henderson speaks of his difficulties in locating many of the diverse reports. At page xvi, he says:

> ... With the compilation of the list completed the task of locating the reports commenced. About half of them were readily available either in the Sessional Papers series or as separate publications. The others which have been discovered turned up in various places from sets of private papers to the departmental files of the federal government.
>
> In spite of this added effort only 300 out of 400 royal commission reports could be located ... There is consequently little doubt that copies of many of the elusive reports are hidden away in collections of private papers or in other unlikely repositories.

That is one reason for my introduction of this bill, Mr. Speaker. There should be a specified public depository for all commission reports. This bill provides that the depository shall be parliament. Mr. Henderson's introduction alerts me to the fact that the bill may be deficient. It does not deal with the problem arising from the modern trend of commissions to issue "interim reports" and "special studies".

Nor does the bill deal with that recent phenomenon, Mr. Speaker, the ubiquitous "task force," so-called. The

Library of Parliament—in a ten year period commencing in 1964 and ending in July of this year—lists the appointment of 19 royal commissions. However, in the last five years of that period, there were 17 task forces or other miscellaneous federal bodies of inquiry that published reports. This does not include, Mr. Speaker, those task forces and other boards of inquiry appointed by the government that did not publish reports, but withheld from the public the information they had gathered at public expense.

● (1710)

I am concerned about information gathered at public expense not being readily available to the public. It should be readily available. It can be argued, Mr. Speaker, that modern royal commission always publish reports. That may be so. But they do so only by the leave and licence of the government.

Under the Inquiries Act the public is not entitled to the reports as a matter of right. This point is illustrated by the fact that the terms of reference of the Food Prices Review Board, dated May 25 of last year, specifically authorized the board to "issue reports, on its inquiries, with all dispatch, including recommendations." Again, when the board's powers were widened on August 21 last year, the Governor in Council, in granting powers to the board, said that where the board deems it necessary it may publish a report on tis inquiries without delay. Here, Mr. Speaker, are both the principle and substance of this bill in governement form.

The government itself speaks of publication of reports from time to time, and of the publication of these reports "with all dispatch" and "without delay". Here are words, Mr. Speaker, that are full of juice to meet the purpose, 100 per cent pure in bacillus coli count.

I suggest to the House that the order in council in which these words are recorded is public confirmation that members of the Privy Council who advised His Excellency to use them are in accord with the principle of this bill and would welcome the present opportunity to send this bill to the committee.

The suggestion may be made that the precedent concerning the Food Prices Review Board is addressed to a particular purpose, and that the members of the Privy Council never intended to adopt the principle of "publication with all dispatch" as a general principle. I refute that suggestion with the words of the hon. member for Ottawa-Carleton (Mr. Turner) who said at one time:

—there is another side to the right to privacy which has not received the prominence it deserves but whose dimensions cannot be ignored. This is the tendency of governments to abuse citizen entitlements under the guise of privacy. In other words, government secrecy is sometimes legitimated as the need for a government's right to privacy but which may well be a denial of the public right to know. If privacy is the foundation of democracy, the right to know is fundamental to any participation in democracy. The public cannot be expected to dialogue—still less decide—meaningfully if it is refused the very information which would make such a dialogue and decision-making possible. What is necessary, then, is a freedom of information act entitling the individual to information which the government authority has arbitrarily seen fit to withhold. Indeed, as Professor Hugh Lawford of Queen's University has pointed out, the Canadian government has yet to enact a law respecting clearance of, and access to, government documents. The situation both in respect of access to documents in the National Archives as governed by the Public Archives Act, as well as documents still in the possession of government departments, is far from satisfactory.

I adopt those words, Mr. Speaker, and make them my own, just as colleagues of the hon. member for Ottawa-Carleton have made them their own. He uttered those words when he was Minister of Justice and Attorney General of Canada, and he was addressing Queen's University in May, 1970.

Let me isolate the nitty-gritty of that statement: "If privacy is the foundation of democracy, the right to know is fundamental to any participation in democracy". To which, Mr. Speaker, in humbleness I add a paraphrased commentary from the Magna Carta: "Knowledge delayed is knowledge denied".

I ask my colleagues to support this bill. I commend it to the consideration of the House, in the certain knowledge that it is acceptable to Her Majesty's government.

[*Translation*]

Mr. Pierre Bussières (Portneuf): Mr. Speaker, the bill moved by the hon. member for Hamilton West (Mr. Alexander), an Act to amend the Inquiries Act, stems from a natural right of the individual, the right to information. As I have just said, this is a fundamental right and we, in this country, are very sensitive to the individual rights and the basic individual freedoms. We live in a liberal society, we find advantage to it, we want this kind of society and its advantages to be preserved. Any discussion, any administrative or legislative measure which would tend to restrict those fundamental rights of the individual are always the object of discussions and objections from citizens, pressure groups and also politicians. In these circumstances, in these discussions, where we see that these rights are in danger, protests rise from all sides, justly so.

The intent of Bill C-206 is precisely to confirm that right to information. Its aim is to make it easier to exercise this right, and, I would add, to protect the individual against the government's leaning to hide its administrative activities behind the too discretionary curtain of State secret and security.

● (1720)

Mr. Speaker, the administrative machinery of all our levels of government has become so cumbersome and complex that people are bewildered, and feel cut off from it. They often wonder to what degree they control that machinery which, as a matter of principle, belongs to them.

One can guess, Mr. Speaker, by what I have said up to now, that I agree as a matter of principle with the bill now before us. However, I would have certain objections to raise as to its passage. The first would be as follows: I believe that on the whole, one can say that the individual, in our Canadian society, is not hurt as far as his right to information is concerned. The second objection would be as follows: The act that this bill tends to amend is such that we should ask ourselves whether it would not lose some of its efficiency, should we pass Bill C-206, introduced by the hon. member for Hamilton West. And here is my third point: one wonders whether the right of the individual does not reflect upon another right, which is the right of the state, and whether a conflict may not arise

here between an individual freedom and another right of the state or the community.

A more careful examination of those three points I mentioned could justify, I believe, objections to the passage of this bill. It is obvious that a surprising volume of information is made available to the Canadian people as to the administration of their country. A day barely goes by, Mr. Speaker, without the editing staff of the various media getting numerous releases, either from government departments or from various government agencies. Releases are so numerous that the mass media are unable to publish or broadcast all of them.

Those releases deal with all aspects of the public administration in this country. Moreover, Mr. Speaker, papers are published by Information Canada at such a rate that I wonder whether an individual would be able to go through them on a regular basis.

As for ourselves, Mr. Speaker, we already find it difficult to go through the releases of all kinds that we get on the information coming from departments or various government agencies.

However, Mr. Speaker, our parliamentary system is another mechanism which contributes to the spreading of information, alerting public opinion on the administration of government affairs, and shielding what can be claimed too easily that is official secrecy.

The official opposition constantly has the opportunity to raise problems and put questions on the administration of public affairs, problems that seem to them as not being necessary for the public good, the better being of the people of this country. I must add, Mr. Speaker, that the opposition is doing a good job. I can understand that the three parties forming the opposition readily acquired extensive experience after several years on the other side of the House, enabling them to do a marvelous job, and thus help people to be better informed.

I would also like to add, Mr. Speaker, that the incredible number and the quality of mass media and information professionals also contribute to fulfill the right to information, a fundamental right of citizens and the community. The volume of information, the aggressiveness of the opposition, the number of media and the quality of information professionals are such that in Canada the right to information is in no way denied or restricted but quite on the contrary, highly promoted.

The second point I wanted to raise is the following—will the Inquiries Act up for amendment lose some of its efficiency if amended as under Bill C-206?

That Act, Mr. Speaker, gives the government powers to institute an inquiry on any matter relating to the good government of Canada, or the administration of any area of public affairs.

It seems obvious to me that if a provision like the one contained in Bill C-206 becomes part of the legislation, the Inquiries Act may loose some of its effectiveness.

Indeed, the immediate publication of the report on an investigation carried out under this act could nullify or seriously hinder certain procedures that should or could become necessary in view of the findings of the inquiry.

On the other hand, such a provision could make these inquiries more difficult. Witnesses could be much more reluctant to testify and to present certain papers in such conditions.

Finally, Mr. Speaker, we must think about the harm that could be done to certain people by a premature publication of the result of such inquiries.

In my opinion, our governments do not abuse the secret of State nor the secret of inquiries. Time has shown the validity of the arguments for postponing the publication of certain documents until such time when the results of the inquiries are made public.

The third point that I would like to make, Mr. Speaker, is that in opposition to the right to knowledge, there is also the right of the State to keep some secrets. This right is related to the right of the society to protect itself. This point could be carried as far as saying that this right can also become a means to protect individual freedom.

What I would call the right to secrecy is recognized in our administrative traditions. This right is recognized and easily justifiable by common sense alone.

For instance, one could wonder if parties in this House are shocked and think they ignore the individual's right to information when they make their caucus secret. They are not shocked, they do not infringe this right and I believe that this right to secrecy is justifiably recognized.

One could also wonder if the parties in this House are shocked or believe that they ignore the right to knowledge because the discussions of the Privy Council must be kept secret. I do not think so and I believe that this is justified.

Those who would be shocked about this would certainly not have had to take part in the government or are sure that they will never be asked to do so.

By analogy, it can be said that the publication of the findings or the report of certain inquiries must be left to the discretion of the one who orders it pursuant to the Inquiries Act, that is the Governor in Council.

It seems to me that we are all very conscious of the importance of public opinion in our society and of the influence of public opinion on the institutions that govern our society.

I think the primary occasion on which public opinion materializes can be identified as electoral campaigns. The electoral machinery, which in a way is a symbol of democracy in our society, gives the people the opportunity to convey their judgment to their leaders, at irregular intervals of course, but not exceeding five years. And that opinion of theirs on their government is conditioned by political parties in presence. It is a vast forum which the various political parties take advantage of to cross-examine the administration of the outgoing government.

The actual duration of those campaigns, Mr. Speaker, is not as provided for in the Canada Elections Act. In fact, as I pointed out earlier, our parliamentary system allows political parties to canvass all year long.

Consider for instance the relation between information as broadcasted by the media and the actions of opposition parties in this House. For instance, a program on the quality of ground beef has led the opposition parties to

literally pester the government with questions. And that is a very serious matter.

The opposition parties quickly materialize the preoccupations of the people, and information is rapidly broadcasted, whether in respect of eggs, immigration regulations, or again in respect of the cow-calf prices, following the situation in the past few days in Quebec. One just has to take a close look at the questions put to the House to realize that the government is not hiding or entrenched in state secrecy.

Mr. Speaker, no one can obviously question the hon. member's good faith in introducing this bill. Keeping in mind the honesty of his intention, I should like to revert to the principle underlying this bill, namely the right of individuals to information.

However, even though I am personally convinced of the validity of this bill, I cannot subscribe to it for the reasons I have just mentioned.

Those were, Mr. Speaker, my feelings about this bill, and I thank you for letting me voice them.

● (1730)

[*English*]

Mr. Alexander: On a question of privilege, Mr. Speaker, I do not wish to inhibit debate on the bill but it had been brought to my attention that there was supposed to be some discussion with respect to Bill S-11, which has something to do with telephones in British Columbia. I just want it to be known there was no discussion with me or, as I understand it, with other members of my party—I am not sure about the NDP—with respect to that bill, which was supposed to come on today, rather than Bill 206.

The only discussion in which I took part was through the appropriate channels. The parliamentary secretary did indicate to me some time ago that Bill C-206 was to come up this afternoon. I do not like what has occurred over there. I was not brought into the discussions. Bill S-11 was supposed to be debated, and now we find out through the parliamentary secretary—I do not know who it was—that Bill S-11 would be postponed in favour of Bill C-206. As far as I am concerned no discussion took place. I want to let you know, Mr. Speaker, that we take a dim view of this sort of hanky-panky, if you will excuse the expression.

Mr. Baker (Grenville-Carleton): On the same question of privilege, Mr. Speaker, may I say that if there was any discussion with respect to this matter it would likely have taken place with me. There were no discussions with respect to the point my hon. friend has raised. When I left the House a few moments ago I did so in the expectation that on my return we would be dealing with Bill S-11, which is extremely important to British Columbia. We had hoped that Bill S-11 would be brought forward because of its importance to the people of that province. If there were discussions, they were not through the usual channels. Perhaps they were through the most unusual channels.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to the Minister of Justice): Mr. Speaker, I would like to try to clarify the situation. I should say that the instructions I personally received as parliamentary secretary to the Minister of Justice were to discuss bill C-206 introduced by my hon. friend from Hamilton-West (Mr. Alexander).

I have no knowledge of the discussions which might take place on the subject of Bill S-11 but I think that we shall certainly clarify the situation because I believe that the point raised appears to indicate circumstances which might seem surprising at first sight.

I presume however it will be easy to provide my colleagues with the necessary explanations so as to prove that if Bill C-206 was discussed, it is because the circumstances warranted it. But I shall undertake, together with my colleagues, to submit the objections to the parliamentary secretary who submitted the agreement in order to try to clarify the situation in the interest of all the parties in this House.

[*English*]

Mr. Knowles (Winnipeg North Centre): I confess I am taken by surprise at the suggestion there has been any hanky-panky. Someone from the government side did speak to me and indicated that the sponsor of Bill S-11 did not wish to proceed with it today. The fact that a member has a bill on the order paper does not mean he is obliged to proceed. I was told that in any case a day had been set aside for the hon. member for Hamilton West (Mr. Alexander) for his bill. I see nothing wrong with that. I am a little surprised that the hon. members were not given the same information, but I do not think there has been any hanky-panky.

The Acting Speaker (Mr. Penner): I thank hon. members for commenting on the question of privilege. From the point of view of the Chair may I say there seems to be no way in which the Chair can be aware of the nature of consultations which may, or may not, have taken place. The responsibility of the Chair, when suggestions such as that which have been made by the parliamentary secretary are forthcoming, is to ask whether or not there is agreement. In this case there was agreement, and the Chair has no choice but to allow the debate to proceed accordingly.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): I can assure you, Mr. Speaker, that I was not privy to any discussions. I am not in the same position as the hon. member for Grenville-Carleton (Mr. Baker) when it comes to keeping in touch with such matters. I was advised last week that I was to speak today. Bill S-11 is, no doubt, very important, but I was always under the impression that we were to discuss Bill C-206.

The hon. member for Hamilton West (Mr. Alexander) made some pertinent observations regarding the need for the improvement of the rules of the House as far as Private Members' Hour is concerned. Although I do not agree with him that we should be candidates for oblivion I think it might be said that some of the subjects put forward might well be consigned to oblivion, since not all of them are reasonable, or set out in a sufficiently striking manner. I do not have the experience available to the hon. member for Hamilton West and it is possible that the criticism was well taken. Maybe, though, we should be putting forward better legislation.

Mr. Alexander: On a point of order, Mr. Speaker, I know the hon. member is not trying to mislead the House, but those were not my words. I was quoting from an article by Mr. Geoffrey Stevens who called us "candidates for oblivion".

Mr. Gauthier (Ottawa-Vanier): I am sorry if I misunderstood the hon. member. I do not read Mr. Stevens, so I do not know. I should like to see some improvement in the quality of our debates on the principles of the bills which are presented. Possibly we could exchange points of view more freely with regard to the principles of the bills which come forward. That is the main thrust of my speech this afternoon. I hope that any time I say something with which hon. members opposite disagree they will interrupt me so that we can have a debate which would, I suggest, be more meaningful than some of the debates which go on during Private Members' Hour, when speeches made from one side are followed, without comment, by speeches from the other.

[*Translation*]

Mr. Speaker, I listened attentively to the remarks of the hon. member for Hamilton West (Mr. Alexander). It is obvious that Bill C-206, at least in my opinion, runs contrary to any government objectivity concerning information necessary to a healthy public administration.

I am not at all surprised to see that a member of the opposition—maybe if I was one I would do the same—is trying to do harm to the present government by requesting that it make public all reports of commissions established pursuant to the Inquiries Act. In its present wording, as has been said, the Inquiries Act allows the cabinet to investigate anything concerning the good government of Canada or the administration of any area of public affairs. This act also allows a Minister, with the authorization of the cabinet, to order an inquiry and demand a report on the activities of his ministry and on the conduct of whoever is employed by this Ministry.

At this time, the commission responsible for an inquiry submits its report to the government only who decides afterwards whether it should be made public. Bill C-206 is intended to change this practice and make it mandatory for any commission established under the Inquiries Act to submit its report to both Houses of Parliament.

● (1740)

[*English*]

I have read the bill—

Mr. Alexander: The hon. member has not read the bill. Confidentiality is still respected.

Mr. Gauthier (Ottawa-Vanier): In certain matters. But who decides the confidentiality?

Mr. Alexander: Read the bill.

Mr. Gauthier (Ottawa-Vanier): Subclause (3) reads:

> The commissioners, if thereunto authorized by the commission issued in the case, may exclude from a report to be laid before Parliament pursuant to subsection (1), so much thereof as might, if published or otherwise communicated, be prejudicial to the safety or interests of the State but nothing may be so excluded from a report except upon explanation made in the report as so laid before Parliament.

Who decides, the House, the government or the commission? Understandably, the scope of any particular inquiry and its scale of endeavour vary in accordance with its underlying purpose, and this of course will usually be revealed in the commission's report. If the issues are narrow and reasonably clearly delineated, the report may read like the judgment of a court. On the other hand, broader and more policy-oriented questions will likely produce a report that speaks in language appropriate to these wider terms of reference.

Nevertheless, a commission's report remains just that—a report containing its own conclusions and recommendations on the subject under investigation. It is not a decision. In the same way that this House must decide whether and how to act on a report submitted to it by one of its committees, so the Governor in Council will have to determine these matters in so far as a commission report is concerned. How, if at all, should it be translated into action?

There may be occasions when publication of a commission's report is itself important to the object of the inquiry. Public doubts and concern about a contentious issue, such as alleged maladministration or supposed threats to the security of the nation, may have set the inquiry in motion and the most salutary means of putting them to rest may, as a first step at least, be by publication of the commission's report.

However, there may be many occasions when this is not of such great importance. The report of a commission of inquiry may be wanted as one of the steps leading to the formulation or assessment of a particular policy. This step, like so many others that are carried out by government, may lead to a public statement of policy, the publication of a white or green paper, or the introduction of a bill into parliament.

But arrival at any particular policy position is, as is well known, usually carried out in an atmosphere of confidence and secrecy. Nobody would seem to disagree that this is a necessary and desirable condition of policy making in government. If a commission report represents merely one step in this policy making function then it, too, like the other steps along the way, should be subject to the same secrecy requirements. Therefore, whether such a report should be published or kept secret will depend on circumstances.

A general and unalterable rule in favour of publication in all cases may be injurious to the policy making process in many cases. Such a rule would fail to take into account the variety of objects that may have prompted the appointment of a commission.

Required debate of a report ignores the fact that the report represents only findings and recommendations, and only of the commission itself. It has not been translated into government policy. The subject of any such debate, therefore, would not be the policy or decision of the government. Debate at this stage may very well be often premature. When, and if, a report is translated into a green paper, or a white paper, or a bill on the subject, it would seem to me that this would be the appropriate time for debate.

[*Translation*]

The bill introduced by the hon. member for Hamilton West seemed at first glance to bring a judicious change in the situation which exists presently.

However, if we consider it carefully, we find that it features more disadvantages than advantages. I sincerely believe that reports prepared by commissions established under the Inquiries Act must remain classified, and that for the following reasons.

First, the inquiry commissions must proceed in all impartiality and put forward with honesty the necessary recommendations. That would be impossible if the investigators knew that *a priori* their reports must be made public. They would rather tend to attenuate the scope of their recommendations and please the greatest number of people, even groups, in order to avoid hostile reactions. So, there would be neither objectivity nor impartiality.

Furthermore, those who will give evidence before the commissioners responsible for the investigation must be able to do so in total freedom, so that their testimony may not be prejudicial to them on a professional or human level.

Moreover, we must protect reputations which might be affected due to the simple mentioning of names even though there is nothing they can be blamed for or though they cannot be charged with any criminal action.

Fourth, it is important not to restrict Cabinet freedom in choosing the decision that is best in the national interests. How can the government exercise sound management of this country if, instead of being free to weigh all possibilities, he has to adhere strictly to recommendations made in a public report?

Undoubtedly, the government would soon be considered as being at fault if it did not implement immediately a recommendation of such reports. The government would be considered at fault, and not quite assuming its responsibilities. Such would in my opinion be a very narrow view of government. I believe government is entitled to research and direct enquiries on any subjects of concern to it. Commissions created under the Inquiries Act, aim at serving Cabinet, at helping it better discharge its duties. Cabinet must not become a servant to such commissions, it is the other way around. Cabinet is answerable to the public, and commissions to Cabinet. The reverse would in my opinion be contrary to reason.

I am amazed that the New Democrats did not discuss that matter because in my research, I found there has been in Sweden, since 1766, a legislation on the subject. A whole lot of government information is available to the general public, in cases where Canadian citizens have no such right. Any government document can be made available to the public in Sweden, and since this principle was adopted, such right has been enshrined in the constitution.

In theory, all state documents are public property and each government department must present any document or file requested by a citizen or a newspaper, radio or TV reporter. In actual fact, the situation is much more complex and there are a number of exceptions: national defence, foreign affairs, unofficial reports, and the like; the main thing is that in Sweden, as in Canada, a minister

can always refuse access to a document and his decision is final.

So, I do not think that there is any improvement evolving from the statement that generally speaking all commission documents are public.

The main thing is not statements of principle, but the honesty and the morality of the government. Nothing ever prevents any government who has something to hide to avail itself of exceptions included in a bill such as the one before us, and to avoid making public the reports it receives, for reasons that it will divulge or not.

The last election proved it enough. The present government has the confidence of the people, it has nothing to hide. Therefore it must be free to decide whether or not it is in the interest of the population to publish a report submitted to it under the Inquiries Act.

Therefore, Mr. Speaker, I ask that Bill C-206 be rejected.

● (1750)

[*English*]

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, the hon. member for Hamilton West (Mr. Alexander) in introducing his bill made some reference to the use of this hour allocated to private members' business which I think is of concern to many of us. However, he did not make any specific suggestions. Surely he would be considered naive if he really thought there was some chance that all, or most of some 150 and more public bills presently appearing on the order paper, and 40 motions, could get through to committee discussion. Quite obviously this would make the whole committee system of this House completely inoperative.

I think that also he is missing the point. He said many good ideas are presented. That may be so. I myself have several bills on the order paper which I think present good ideas. The reason for putting these bills forward is to present these ideas and, as the hon. member knows, via the draw at the start of a session, to give some of us the opportunity to expand a little more on what is back of the idea presented in a bill.

Since we only have at most some four hours each week for the discussion of motions and public bills I suggest that there might be some move toward splitting the time so an hon. member would have the opportunity to present his arguments in a period of, say, 15 or 20 minutes, and the remaining 10 or 15 minutes of the first half hour would be allotted for the response from either the government or opposition, depending on which side of the House sits the hon. member who presented the bill. This would enable us to get through about twice as many bills and motions as at the present time.

We are discussing the hon. member's Bill C-206, which takes a position I cannot support. We realise the protection of the confidentiality of reports under this act is at the discretion of the government which, naturally, must always retain full responsibility for the actions of the department under review. The public does not have the availability of reports as a matter of right and, as has already been said in the arguments presented here today, if this House debates subjects before the decisions are formalized and presented, it may make debatable the

actual need for the government and for responsible ministers since, in effect, this House would become the discussion point before the government could make up its mind. It is the government that has the responsibility for determining the direction in which it should move to correct anything found out, or found to be improper, as a result of the investigation.

I also think that the hon. member for Hamilton West, for the benefit of those persons who may, more by accident than design, read what is being debated in this private members' hour, should have expanded a little bit on the bill itself. In that respect I think I should read paragraph 2 of Chapter I-13 of the Revised Statutes of Canada:

> The Governor in Council may, whenever he deems it expedient, cause inquiry to be made into and concerning any matter connected with the good government of Canada or the conduct of any part of the public business thereof.

Then there is a paragraph about the appointment of commissioners and the power of the commissioners, which is much as it is set out in a court of law. Perhaps I should also read paragraph 6 as follows:

> The minister presiding over any department of the Public Service may appoint at any time, under the authority of the Governor in Council, a commissioner or commissioners to investigate and report upon the state and management of the business, or any part of the business, of such department, either in the inside or outside service thereof, and the conduct of any person in such service, so far as the same relates to his official duties.

I have already stated my position in respect of the principle governing the declaration of these reports being at the discretion of the government. We then come to the technical considerations. As the hon. member himself must realize, as most of us do when presenting these public bills, when they are compiled they almost inevitably contain points at conflict with the existing statute.

Let us take Bill C-206 as an example. In the first clause, which is the part the hon. member suggests be added, it states:

> The commissioners shall, within 15 days after the completion of a report by them on any matter within the scope of the commission, cause the report to be laid before both Houses of Parliament.

However, the act itself says in Section 13:

> No report shall be made against any person until reasonable notice has been given to him of the charge of misconduct alleged against him and he has been allowed full opportunity to be heard in person or by counsel.

Obviously no one can guarantee the time this is going to take, and that makes quite inoperative the definition in Bill C-206 of the specific time, which might quite easily take away the rights of the individual.

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

* * *

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order in respect of the arrangements that have been considered for the debate tonight. I think you will find there is unanimous agreement to a House order which I shall suggest in a moment.

Slaughter of Calves

Standing Order 26 provides for all speeches to be limited to 20 minutes, but it makes no provision for the debate to end until everyone who wishes to do so has spoken. I think you will find, however, that there is unanimous agreement to the following points: First, that the first round of speeches be limited to 20 minutes, but that all speeches after that be limited to 15 minutes; second, that no one shall seek or be given overtime; and third, that the debate be concluded not later than twelve o'clock.

Mr. Baker (Grenville-Carleton): That is the agreement as I understand it as well, Mr. Speaker, and we consent.

Mr. Caccia: It is acceptable to us as read, Mr. Speaker.

The Acting Speaker (Mr. Penner): The House has heard the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles). Is it so ordered?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Penner): The hour appointed for the consideration of private members' business having expired I now leave the chair until 8 p.m. at which time the House will proceed to consideration of the meat producing industry, under Standing Order 26.

At 6.03 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

AGRICULTURE

DESTRUCTION OF CALVES AND HIGH RETAIL PRICE OF MEAT

Mr. Speaker: Order, please. Leave having been granted to the hon. member for Oshawa-Whitby (Mr. Broadbent) to move the adjournment of the House pursuant to Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the crisis in the beef producing industry manifested by the destruction of calves in Quebec and the high prices being paid by consumers throughout Canada, it is moved by the hon. member for Oshawa-Whitby, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That this House do now adjourn.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I want at the outset to answer briefly the questions—why do we have this debate—why do we have the crisis that now exists in the meat producing industry, referred to in the motion I sought leave to move this afternoon?

Public awareness that something was drastically wrong, that something was profoundly disturbing, was surely maximized last night when millions of Canadians witnessed on television the tragic destruction of some 600

calves by beef producers in the province of Quebec. Such destruction is abhorrent both to the producers themselves and to consumers throughout Canada.

Men do not raise cattle, farmers do not produce any kind of product in order to see them or it destroyed. Hungry people, whether in this country or abroad, and many of them are abroad, do not sit back in any state of equanimity or pleasure beholding the deliberate destruction of food, whether it be beef or some other product. Something has surely gone astray in Canada when this situation exists.

I want next to deal with the question of blame. Who is to blame? Is it some institution? Is it the farmers? Indirectly are the consumers responsible? The answer surely is that none of these groups is to blame. The answer surely is that the blame must rest squarely on the shoulders of the Minister of Agriculture (Mr. Whelan).

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Broadbent: He, and he alone, is responsible for the total lack of a beef production policy, a lack that has resulted in the situation where producers are losing approximately $150 per calf and have to resort to killing their products in order to dramatize their plight.

I repeat, Mr. Speaker, it is the Minister of Agriculture, and he alone, who is responsible for this situation. He, and he alone, has permitted a vicious cost price freeze—squeeze leading—

An hon. Member: A freeze?

Mr. Broadbent: We would have had a freeze if we had had the gentlemen to my right forming the government. That is perhaps the sole advantage of the present situation. It is the Minister of Agriculture who permitted this cost price squeeze which led to tonight's emergency debate.

● (2010)

During the past 18 months we have not had total inaction by the minister. He has certainly been very active. However, the action really amounts to a hodgepodge of ad hoc policies on beef which contradict themselves and, from month to month, lead to solutions which on a previous date were considered by the minister to be totally inappropriate. Let me be a little more specific.

During the past 18 months we have had increased tariffs on beef. These were followed by decreased tariffs. We had the elimination of tariffs. We then had them reintroduced. A few months ago the minister banned the importation of all beef from the United States. He then lifted that ban. Now we have a quota system for the importation of beef from the United States.

I see the minister is making notes. It is refreshing to see him involved hopefully in some constructive activity. I hope we will hear from him later this evening. The minister has done everything but give this country a coherent, rational, beef-producing policy that would, as a minimum, ensure the survival of Canadian produced calves over the coming winter months.

What specifically ought to be done in the short-term emergency situation? I do not want just to waste time by condemning the minister for his inaction or lack of coherent policy. I want to come to grips with the immediate emergency situation by making some constructive suggestions.

First, in the short run the federal government must catch up with the provincial governments. The prairie governments of Manitoba, Saskatchewan and Alberta some time ago introduced special measures to help the producers of beef. They wanted federal assistance. They wanted federal action, but they did not get any from this minister.

Yesterday the province of Quebec took a much needed step to help the producers of beef. However, there is not one of these programs which, in itself, is sufficient to deal with a situation that is national in scope. The provincial governments simply do not have the financial resources to do what is needed in the current situation.

The federal minister must immediately guarantee that our beef producers will receive, as a minimum, their costs of production in keeping the calves they must feed during the coming winter months. That must be done as a minimum, and it must be done immediately. Only by guaranteeing our producers that they will be subsidized to the extent of the difference between costs and market prices next spring can our beef industry be salvaged from the present crisis.

I do not use the word "crisis" lightly. If the product is not saved during the coming winter months it will mean one thing, and one thing only. Next spring, summer and fall we will have much higher beef prices in Canada. The consumers think they are experiencing difficulty now. If the minister does not take immediate steps to deal with the problem over winter months, Canadian consumers will be much worse off next year.

Second, for the long term the federal government must establish a national marketing board for beef.

Some hon. Members: Oh, oh!

Mr. Broadbent: I expected that. I expected my friends on my right, ever as they are back in the 19th century in terms of economic and social thinking, to oppose a beef marketing board. We have the hoots and catcalls now. I repeat, for the long run we must establish a national beef marketing agency. Without such an agency that would bring to the production of beef a sense of coherence and rationality, the horror produced in the minds of people watching television last night will, next spring and next fall, be repeated in the same minds due to the resulting increase in price. The only way of breaking the vicious up and down price cycle so harmful to farmers and producers alike is to establish a marketing agency for beef.

Some hon. Members: Hear, hear!

Mr. Broadbent: I say to my Conservative colleagues, and I use the terms loosely, that over 60 per cent of our agricultural products are marketed by such agencies. The only major agricultural product excluded from such marketing agencies is beef. I suggest it has been, to a considerable degree, the sense of coherence and organization

brought to agriculture by these marketing agencies that has made Canada one of the major agriculture producing countries in the world.

Some hon. Members: Hear, hear!

Mr. Broadbent: What about consumer interests? In the short run consumer interests can best be met by the point I made a minute ago, that is, by a guaranteed subsidy program introduced by the federal government to ensure that calves will survive the winter months. Secondly, the federal government must follow the example of the government of Manitoba and initiate a full inquiry into the beef industry, following the product from the farm or ranch through the meat packing industry to the retail outlets, and eventually to the consumer.

What is needed is a full and comprehensive study of our meat producing industry. I want to stress that any survey that is merely a skimming over of the industry by the Food Prices Review Board will not constitute an adequate substitute for the kind of major inquiry I am calling for now.

Why do we need this inquiry? It would at least provide answers to the following questions. Why is it slaughter prices have dropped more than 10 per cent from last year but the price of sirloin steak has gone up by 25 per cent? Why is it that the profits of the major meat packing firm in Canada, Canada Packers, went up by 36 per cent during the past year? I am comparing March, 1973, with March, 1974. The public have a right to know the answers to these questions. They have a right to know all the facts about the meat producing industry. The government has an obligation to set up the kind of inquiry necessary to provide these facts.

I want to conclude by saying something about the situation outside Canada. I have said we are among the four or five major agricultural producing countries in the world. We are among the four which are capable of exporting food. We are capable of producing more than we need. What all Canadians and people throughout the world find abhorrent is that there should be starvation in many countries of the world, not tomorrow, but today, while we in this country are not maximizing our production of agriculture.

The Secretary of State for External Affairs (Mr. MacEachen) is here this evening. On behalf of his government he will be attending the world food conference in Rome next week. I suggest that he take to that conference not a general commitment or rhetorical expressions of concern for the well-being of the needy nations in terms of food, but that he go to that conference in Rome with a very specific proposal.

● (2020)

Surely Canadians are capable of producing enough to meet not only their own needs but also the needs of a great many hungry people of the world. If we had a coherently organized beef producing sector, along with the good organization and productive capacity we find in other sectors of the agricultural industry, the Secretary of State for External Affairs would be in a position to go to Rome and make a commitment on behalf of all Canadians so that people would not have to starve this year, next year or the years to come.

Slaughter of Calves

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I want to say, first and foremost, that one of the things I am appalled at is the cheap politics some people are trying to make out of this issue.

Some hon. Members: Hear, hear!

Mr. Whelan: One of the members of the NDP has made a big bunch of noise about putting the Minister of Agriculture into jail for destroying food. I emphatically deny I have ever done so, and I am amazed that anybody would stoop to tactics that low, knowing my history of aiding other people and taking part in food aid programs. If his party is serious—

Mr. Broadbent: On a point of order, if the minister wishes to rise on a question of privilege I respectfully suggest he should do so. If, on the other hand, he wishes to fulfil his obligations and talk about agricultural policy, then I suggest he do so now.

Mr. Whelan: Mr. Speaker, what is good for the goose is good for the gander.

Some hon. Members: Hear, hear!

Mr. Whelan: If the hon. member for Oshawa-Whitby (Mr. Broadbent) endorses the suggestion of his colleague, he is saying that every Canadian should be put in jail, because every Canadian is, on an average, throwing away 400 pounds of food a year. The eggs which were lost amounted to one and a quarter ounces per person. To suggest that I am responsible for what happened in Quebec—

Mr. Paproski: You are.

Mr. Whelan: Some more assassination by innuendo. You are one of the greatest I ever saw at that. In a democratic society, when things like that are said by people without any backing whatsoever, they want to do nothing else but destroy, because they figure I stopped them from being over here on these benches—that is the main reason—

Some hon. Members: Hear, hear!

Mr. Whelan: Anyone who says I have not fought for the farmers or not got things done for the farmers since I have been Minister of Agriculture is a stranger to the facts.

Some hon. Members: Hear, hear!

Mr. Whelan: The hon. member for Oshawa-Whitby talks about what I have done and what I have not done. I intend to touch on some of the things the government has done to assist the farmers of this nation, especially beef farmers. I would suggest he take a closer look at what was in those pictures last night and learn something about them. Most of those calves were day old calves from dairy herds. They were not beef calves at all. They are dairy calves, and they are not for human consumption until they reach a certain age.

What the minister of agriculture for Quebec has done is a most reasonable thing, and I have complimented him for it in the House of Commons. I would remind hon. members that farmers do not have the same bargaining power

as do grain handlers on the west coast, for example. I didn't hear the hon. member for Oshawa-Whitby get up then and condemn those men when they stopped the shipment of millions of tons of grain for food to the starving people of the world.

Some hon. Members: Hear, hear!

Mr. Whelan: I did not hear him, or his party, or any of them condemn the Great Lakes pilots, some of the highest paid people on the Great Lakes, when they stopped the shipping of grain through the Great Lakes, which is worse than stopping shipments of grain from the west coast because more grain moves through Thunder Bay than from the west coast. We shall never make up the delivery of those grains to the hungry people of the world. Did he condemn them? No, he didn't. Why? Because he knows where his bread is buttered. He was too cowardly to get up and condemn them at that stage.

Some hon. Members: Hear, hear!

Mr. Whelan: As I was saying, farmers do not have the same bargaining power as other people in this nation, and they probably never will. But who the hell has condemned me more than that party for my stand on behalf of the agricultural producers in this country? I ran against a member of that group over there in my constituency and, boy, oh boy, he certainly sounded different from that great fellow opposite who is going to support the farmers, with the innuendo about me that he spread among the workers in my constituency at that time. But the workers in my constituency didn't believe him at that time, and they don't believe them now either, as far as that goes. They are about as phoney as a three-dollar bill.

Some hon. Members: Oh, oh!

Mr. Whelan: The fact of the matter is that we have ten provinces with ten different agricultural programs.

I welcome the opportunity to take part in an emergency debate on the beef industry in Canada. I have had many discussions on this subject with the provincial people. I believe the hon. member would even suggest that we impose a national marketing board on the beef producers. I say the legislation is there. If the producers want a national marketing board they can bring it about in a democratic fashion. The machinery is there. But maybe the hon. member's party doesn't know anything about democracy.

Some hon. Members: Hear, hear!

Mr. Whelan: It is there for them to use. It is like a machine. It is there, and if they want to use it, it can do a job for them. There is no denying that. This government sponsored marketing boards for farmers if they want to use them. But marketing boards will not be forced upon them as long as I am Minister of Agriculture.

Some hon. Members: Hear, hear!

Mr. Whelan: We are all concerned about the price and quality of food Canadians eat. We all know that beef is one of the most important items in every housewife's shopping basket every week. I am deeply concerned over the slaughter of calves in Quebec. My position is, and always has been, that I cannot sanction the destruction of food by anyone in any way.

Mr. Baker (Grenville-Carleton): Even eggs?

Mr. Whelan: Just stick to the facts, that is all. And make sure you act as you have been taught to act, as a good jurist.

On the other hand I sympathize with these farmers. They have been faced with rapidly rising prices for feed and all the other commodities they have to purchase. At the same time they have been hard hit by the loss of overseas markets for dairy calves. In the first six months of this year exports to Europe amounted to only 74,000, well down when compared with the first six months of last year. This situation has been brought about by the world surplus of cattle.

Last year, when the producers were exporting calves there were people who suggested we should ban those exports—that we should take this market away because it was a lucrative one. We did not do so. We let them keep that market. Now there is a surplus of beef pratically all over the world. The situation has been brought on, as I say, by a surplus of cattle, and this is something Quebec farmers can do nothing about.

● (2030)

I welcome the action taken by the government of Quebec and congratulate them for their quick response to offer assistance. I am not sure that all of us are fully aware of the importance of the livestock industry to this country, or aware of the serious problems that those in the industry face, particularly since inflation has been upsetting trading patterns in all commodities. Not all of these problems originate in Canada: we have to react to world situations, and I have outlined what we have done in this respect. In fact, most of the problems are international in origin. Nevertheless, we in Canada have done our utmost to assist the industry and to keep it on an even keel.

The statistics will show just how successful we have been in stabilizing the beef industry in spite of the enormous pressures and price fluctuations generated outside our borders. For example, let me first put the industry in proper perspective. Canadian farmers last year had total farm cash receipts of $6.4 billion. Livestock accounted for $3.6 billion, or 57 per cent of total farm income in Canada. Livestock are not only important to the agricultural industry of this country but to the manufacturing industry as well. The meat processing industry in Canada has annual sales of over $2.5 billion, which makes it the third largest manufacturing industry in the country. It employs more than 31,000 people, pays out $265 million each year in wages and contributes more than $20 million in income taxes. The hon. student from Oshawa—

Some hon. Members: Oh, oh!

Mr. Whelan: —who I was told by a hard working friend of mine has never worked a day in his life, would learn a little about beef farming if he spent some time on a beef

farm. He also might learn a little about automobile manufacturing if he were to spend some time in an automobile plant, which he never has. He is an expert on everything. He has now become an instant expert on food and beef marketing in Canada. He astounds me. His leader, in the last election campaign, had a two-price system. He never explained it, although I asked him to explain it many times. He said there would be one price for Canada and one price for the rest of the world. For whom was the other price meant, Mr. Speaker? The starving Africans and Asians who make only a couple of hundred dollars a year? He never explained it, neither did any member of his party.

We had dramatic evidence just recently of how high feed prices have made livestock production a very touchy business for the farmer. We have had to cope with some gigantic problems in the industry in the last two years. Anyone who says that I have not worked on those problems and done more than any other minister of agriculture of any government just does not know the facts. They do not want to be associated with the truth. They are out to assassinate by innuendo, and that is all.

On January 1, 1973, Canada banned the use of DES both as a feed additive and as an implant, because of the potential danger of cancer resulting from its use. The Department of Agriculture did not take this step, as Dalton Camp says we did; this action was taken by the Department of National Health and Welfare in the interests of the health and safety of the people of this nation. In February of last year we suspended the tariffs on beef and live cattle to ensure consumers a better price. We were also informed that there would be free movement of cattle in the United States. On August 13, 1973, we imposed export controls on beef and cattle, pork and hogs, to ensure that all Canadians had adequate and ample supplies of meat.

Why did we do this, Mr. Speaker? Because of the price control system in the United States, some sharpies down there discovered that if they shipped meat into Canada they could then ship it back to the United States and sell it at whatever price they wanted, thus disturbing the whole of the beef market in Canada and North America, a market on which we had always relied. Then in September we removed the controls but restored the tariffs same as the United States. On November 2 we imposed an import surcharge. We were asked to do this by the beef producers of Canada. We did what they asked, to protect them at that time. Hon. members can ask any one of these producers whether we did anything to assist them at that time.

Then in March we introduced a seven cents a pound premium on grade A cattle. In April we reduced it to five cents, but extended it to all grades except mature cows and bulls. Also, in April we required certification that imported beef was free of DES. The United States did not see fit to follow that up, but tried to participate in the election campaign in Canada. On August 2, I announced a comprehensive beef stabilization program, and on August 12 beef import controls went into effect. The beef import controls were based on a five-year average of imports from all countries shipping beef to Canada. We could see what was happening to beef production throughout the world, and all these actions were necessary to stabilize our own beef industry.

On October 7, senior officials of my department met with provincial officials to begin work on a truly national plan to stabilize the beef industry. If hon. members opposite had not said, "You are going to have an election, you lucky Canadians", the stabilization legislation would have been before the House and passed into law by now. But they said, "No, let us have a big election," because they said they were going to run the country.

All these actions were necessary, Mr. Speaker, to deal with unusual and abnormal situations in the domestic and international markets that threatened either to depress the industry or to inflate consumer prices. They were all successful, too. We have enjoyed stability of price and supply that no other country in the world can match, and I challenge hon. members to prove otherwise. To October 19 of this year, inspected gradings of beef were 4 per cent above the same period in 1973, yet the price to the producer remained almost constant. Beef producers in other countries have been forced to fire-sale prices by increased marketings. At the present time, top grades in the United States are 10, 11 or 12 cents a pound less than our top grades.

We took action to protect our producers from the price pressures exerted by the ill-advised price freeze imposed by the former President of the United States. The United States Secretary of Agriculture said that any man who put a price freeze on food or beef would be an idiot.

Mr. Woolliams: There are lots of those around.

Mr. McKinley: How much is beef in Japan?

Mr. Whelan: I am glad the hon. member for Huron (Mr. McKinley) has asked that. A kilo of beef in Japan—that is, two pounds, two ounces—costs $25. Let me tell the House about Japan. We protected our consumers against imports of United States beef that had been fattened with the artificial hormone DES. Every other country in the world did the same as we did. They do not import meat from any country that allows its beef exports to be fed DES. Even the energy problem and the rising cost of fuel affected the industry. Japan, for example, drastically reduced its beef imports because it needed the money to pay the higher prices for imported oil. This cut off imports from Australia, New Zealand and the United States. So where did they look for a home for their products? To the old dumping ground, Canada.

However, we did what the cattlemen wanted: we put a quota on all those imports, and in essence we protected Australia and New Zealand as well. Last year, when Americans were buying Canadian beef to try to circumvent the price controls on their own animals, we applied export controls to ensure that Canadians had enough meat, at stable prices, for their own needs. I was criticized for that, too. This was done mainly to ensure that the industry was stabilized, and it worked. When U.S. price controls were removed, we placed a surcharge on imports of American beef to protect our beef industry from the

flood of overfat cattle which U.S. farmers had kept off the market in protest against their own country's price freeze, and which they then flooded their market with.

In January of this year, the United States court of appeals ruled against the ban on DES, and Canada required that all beef entering Canada be certified free of the growth hormone. In March the government moved to assist the beef industry and the consumer by applying a seven cents subsidy. During the spring and summer that subsidy program was phased out in favour of a beef stabilization program that ensures the beef producer an adequate floor price for his product. Every provincial program is based on the federal stabilization program for beef. We do have a national stabilization plan which is something that no other nation has, Mr. Speaker.

● (2040)

At the same time we applied import quotas made necessary by the fact that there is a world surplus of beef. We do not want this beef to ruin our Canadian industry, or to benefit from our stabilization program.

In addition to what the federal government has done, most of the provinces have instituted programs to help their producers deal with the particular problems they face. Not all of the programs are the same. Alberta, which is not a very poor province, has funded up to $40 million with the objective of improving the cash flow to small farmers hit by low calf prices. This program is available to Alberta farmers with cow herds owned prior to August, 1974.

An hon. Member: Tell us about federal plans; never mind the provinces.

Mr. Whelan: I have heard what the hon. member has said about the farmers in Alberta from time to time, but I will not repeat them in the House tonight. The Alberta plan is eligible to farmers with cow herds owned prior to August, 1974. It provides a cash advance of $75 per head up to a maximum of $6,000 per farmer, and up to 80 per cent of the individual farmer's calf crop on the date of application. These cash advances are to be interest free for one year.

Under this plan the unpaid balance at the end of one year is to carry a prime rate of interest plus a small carrying charge. This amounts to an average of more than $1,200 to these farmers to assist them over the winter.

I might say that most of the beef producers in Saskatchewan and in Alberta have condemned these plans as something that is not what they need. Most of their associations have recommended that the farmers do not participate in these plans, but I am sure there will be some who will be participating. The program in Saskatchewan is practically the same as the one in Alberta, so I will now move to the plan in Manitoba. This is a different kind of a program. If I were allowed I would ask the consent of the House to have these program statistics printed as an appendix to today's *Hansard*.

An hon. Member: No.

An hon. Member: You have told us what you have done, now tell us what you are going to do.

[Mr. Whelan.]

Mr. Stanfield: Tell us how you won the election single handed.

Some hon. Members: Oh, oh!

Mr. Whelan: Alberta and Saskatchewan have made a move to assist farmers who have been hit with low calf prices, by providing a cash advance of $75 per head.

Manitoba has adopted a program to make cash available to farmers who wish to feed their own stocker calves and have the feed and facilities to do so. They have applied a little bit of socialism by adopting a stocker agreement not to exceed 200 head, or $50,000 per farmer. This plan provides for an insurance fee of 2½ per cent of the stock payable by the farmer to cover 75 per cent of the cost of losses. The program is to be interest free on up to 50 calves for one year, and loans made one year ago are extended.

Mr. Speaker: Order, please. It was agreed earlier this day by unanimous consent that the first round of speakers be limited to 20 minutes, and that each speech after that be limited to 15 minutes. The point I think significant in the order of the House at this moment is that no one shall seek or be given extra time, and that the debate be concluded by midnight. Accordingly I must interrupt the minister and go on to the next speaker.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I am very pleased and privileged as a cattleman to take part in this debate tonight. This is an emergency debate of concern to the Canadian cattle industry, and the first to result from a television program such as the one last night, repeated again this morning. Let me suggest that this incident has finally dramatized in a very spectacular way the current very serious crisis on the cow-calf side of Canada's cattle industry.

I am sure all hon. members regret having to see such a demonstration as we saw in living colour last night. However, as a lifetime cattleman I can fully appreciate the frustrations and despair behind that tragic action.

Our Canadian cattle industry has, and is still involved in a series of developments that have almost destroyed our faith and confidence in ourselves as cattlemen and in our total industry. No responsible cattle organization in Canada would properly condone this approach, yet as a cattleman I can understand this very extreme action. Suffice it to say that this emergency debate tonight would not have developed without that incident.

First of all let me give some background information about our Canadian cattle industry. This industry has had plenty of rough times before this crisis. I am old enough to remember my father selling two and three-year old grass steers for two cents to three cents a pound, fat dry cows at the same price, with canner cows going for three-quarters of a cent per pound. That took place back in the 1930's.

In 1948 I attended a Western Stock Growers Association meeting in Lethbridge when the late James Gardiner, the then Minister of Agriculture, was invited and was under pressure to lift the U.S. embargo which prevented our cattle from going south to the U.S.A. The Alberta cattlemen were so sincere and dedicated to this concept that they threatened to secede from Canada and join the United States if the minister did not agree to their request.

He stayed up all night and, although he did not agree, next August the embargo was lifted and the Canadian cattle market shot up $3 overnight.

This is not the first crisis the cattlemen have been through and it probably will not be the last one. Nevertheless the present cattle situation is the most serious I have seen in my lifetime as a cattleman, and that includes all of the days of the depression and drought during the 1930's.

How did we get here from there? What has happened that has allowed present day cow prices, as well as yearling and calf prices, to drop approximately one-third to one-half while feedlot costs have doubled, all in about one year? This sudden price collapse in respect of grass cattle has a chain reaction in other industries, since about 15 per cent of all our economic activity is related to our red meat industry. Our red meat industry has a high economic generating effect, probably the highest of any of our industries in Canada. The cattle industry itself has perhaps an even higher effect, about 17 per cent of our total economic activity. That is an indication of how important is this industry.

Let me point out the most important factors that have contributed to the present crisis. First we have a short-term over-supply of cattle in North America and in other major beef producing countries. All but one of the major beef producing nations have been expanding production over the last five years. They are the United States, Russia, Brazil, Australia, Canada, France, Mexico and New Zealand. The numbers of cattle in respect of this group of nations have gone up 13.6 per cent during that five year period, from as low as a 4.7 per cent increase in France to a 32 per cent increase in Australia. The only exception is Argentina which had a decrease of 6 per cent.

During this interval the world price of beef almost doubled in less than three years. Most of us read the signs wrongly. We argued and convinced ourselves that these rapidly rising prices meant there was a global beef shortage. However we, and I mean the economists, governments, cattlemen, and even some farm organizations, were wrong. As far back as three years ago the Canadian Cattlemen's Association was warning anyone who would listen that north American and world breeding cattle numbers were increasing too quickly.

● (2050)

Most of us, in the midst of our affluence, had completely overlooked and forgotten to take into account the impact of world inflation and devaluations of major world monetary systems. A contributing factor has been the shortfall in feed grain worldwide, which has caused dramatic feed cost increases. I am sure you will recall, Mr. Speaker, the serious droughts of several years ago in the U.S.S.R., China and Australia, as well as the South American rough fish crop failure which caused upheavals in respect of one of the world's major sources of protein.

Then we had the soybean shortfall in the United States and Ontario due to too much moisture. Next there was the aftermath of the United States control program, and especially the extra 60 days during which these controls were left exclusively on the cattle industry. This was the cause of fantastic holdbacks and price disruptions, mostly in the United States but also in Canada. In fact, the United States is still not current in respect of its supply-demand situation.

The third factor is that, more recently, two major meat consuming areas of the world have been shut off completely from the cattle and beef exporting countries. I refer to the European Economic Community and Japan. This contributed immensely to the short-term over supply. The fourth item was the beef subsidy program of the Minister of Agriculture (Mr. Whelan) which was a disaster for our cattle industry. This was the seven cents per pound subsidy on all A, B and C grades of fat cattle. The program resulted in a market drop of about $10 per hundredweight in ten days, of which only $2 to $3 was due to a drop on the Omaha, or United States, market.

This hurry-up program, I suggest, cost our Canadian cattle industry an inventory loss of about $1 billion in ten days. Recent history has proven that the cattlemen were right in advocating reciprocal quotas and tariffs with the United States which recognized the ten-to-one ratio in respect of our respective cattle and human populations. The minister's global quota policy is a good one, and I commend him for it. It is working well. However, if it was the right policy on August 2, why was it not right last spring when he brought in his subsidy program?

Let us now consider the current situation. Canadian cattle producers are split into two well defined groups concerning what should or should not be done by governments in respect of this crisis. The well established cattlemen who have been in business for ten years or more, who are reasonably debt-free—and this includes both the large and the small producer—say, "Leave us alone. We've turned the corner, hopefully, and we'll get by. We want no more government interference, because there has been too much already".

The newer producers, the ones who have been in business for perhaps two or three years, are in a desperate situation. They have paid too much for their breeding herds—as much as $400 to $600 per cow. They were probably from an exotic breed. They had easy credit, but paid highly inflated values for their land. They budgeted to repay this line of credit on the basis of $250 to $300 per calf. The problem is easy to recognize; indeed, it is very real. Some of these producers have already folded up and moved into industry.

This group is demanding government grants or interest-free loans, or at least some type of positive action, now. Because of a considerable sense of responsibility, five provincial governments already have taken some action in their considerable encouragement to farmers to diversify and switch to cattle. The federal government has as much, or more, responsibility here, but so far has done very little. I suggest emphatically that the minister's new support price policy, with the price of $45.42 that will trigger deficiency payments, is not providing any short-term help. There are obvious reasons for this. It is payable only in respect of feed cattle grades A, B and C, but is not paid in respect of feeders, yearlings, calves or cows. No benefit will be available until August 11, 1975, when the first year will end. This is in operation for one year only. It is not to operate by quarters. This is regrettable, since this would greatly improve the policy. If this support policy were extended for another year it could help, but unless the

triggering price is somewhat higher, even this is somewhat doubtful.

What can be done about this cattle crisis? There are no easy or apparent solutions. I say that very sincerely. Essentially, and perhaps I am oversimplifying the situation, we must grow and eat our way out of this current crisis. A number of things should be considered. First, let us take the short term. We must recognize that heavy marketings of cows are now under way and will continue. There is nothing wrong with this. The culling of old and undesirable cows should be continued. During the 12-month period from September, 1974, to September, 1975, our Canadian cow slaughter will be up 34 per cent. I say this is good. It is inevitable.

The second point is that the most urgent market problem is our current calf crop, now coming to market in large numbers. We must appreciate that we have an extra 570,000 calves over last year for which we must find homes. This represents the 7 per cent increase in the current calf crop of some 5.5 million. There is a greatly reduced demand for these calves because of the obviously bad experience of those who bought them a year ago. Essentially, they have to go to two broad areas in Canada: the first is southern Alberta and the fringe areas of Saskatchewan and Manitoba, and the other is Ontario. If they cannot be absorbed in Canada at adequate prices, they will have to go south to the United States at $2 below their market price which is already $6 to $8 below ours. This is the reason the United States trade information hearing that was held last Friday in Washington on Canada's beef trading policy is so important. If it should result in a United States embargo, our market situation could worsen still further. We should consider an incentive policy that ties in with cow slaughter and would encourage the holdback of heifer calves and lightweight steer calves for future breeding and feeding requirements.

The next point is that in view of increasing evidence of the need for world food banks, surely we should seriously consider a joint program with the packing industry for the freezing and/or canning of surplus cow beef that could be disposed of in offshore markets where there is an urgent demand. Such a program would require federal assistance in financing and storage. Another point is that in view of the present live cattle market spread of 30 cents per pound between top steers and good cows, the time is most opportune to have an all-out merchandising campaign to promote the consumption of good Canadian cow beef, which is generally superior in flavour to younger grades of beef. Most people do not realize this.

● (2100)

We should immediately encourage our Canadian banking institutions to continue to make realistic credit arrangements with feeders. Considerable mutual understanding will be necessary here, but the results could be very beneficial in the form of increased demands for feeders and a strengthened calf market.

Finally, in the short term we should encourage our Minister of Agriculture to get back to the negotiating table with the United States Secretary of Agriculture, Mr. Butz, immediately after next week's United States elections, to bring back some common sense to the United States-Canadian cattle negotiations.

There are several things that we must do in the longer term. First, we must recognize that the key to our sagging fed cattle industry is, of course, the price and supply of our domestic feed grains. Until world feed grain supplies become more adequate, our domestic prices will reflect world prices. These will be high and will likely remain so until United States corn and soybean crops are greatly increased, hopefully as a result of their set-aside lands now back in production, but that point is at least two crops away.

Second, governments can help the total cattle industry to adjust to some fundamental structural changes that are both needed and inevitable. We can no longer afford the luxury of feeding high priced grain and protein to calves for some 200 days, or even 120 days. The limit will be about 90 days or less; and that will not be too long in coming. Third, in the long term, our packing industry should be encouraged to move somewhat away from the traditional "kill and ship" philosophy. New "breaking" facilities by our packers or processors will be needed soon, if only to capture our complete HR and I trade, that is, the hotel, restaurant and institutional trade.

Fourth, and perhaps most important of all, our final feed grain policy may very well determine whether our feedlot industry in western Canada will survive. Equitable freight rates are needed here. If the Crow rates are to continue, then they must apply to the products of feed grains as well, that is, moving carcass beef from Alberta to central Canada which now accounts for about two-thirds of our total beef requirements.

Finally, Mr. Speaker, it seems evident that a Canadian beef cattle industry investigation is not only inevitable but perhaps highly desirable. In a full board meeting of the Canadian Cattlemen's Association held yesterday in Calgary, it was announced that that body would be happy to see such an investigation and would co-operate to the fullest. They pointed out that the present market system for Canadian cattle has responded well over the last very trying two years, and has sent back appropriate signals of some very unique situations. With this I certainly agree, and would suggest most emphatically that our Canadian marketing system is not at fault, although there are some who seem to think it is on trial. I say again, and most emphatically, that a national marketing board is not the answer to this crisis.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, a while ago I listened to the Minister of Agriculture (Mr. Whelan) and when he finished speaking, I thought that all our problems were solved because of the vigour with which he pleaded his case. However, I always remember that when the House has to deal with crises involving both levels of government, we always wonder who is really responsible while both governments put the blame on one another.

Mr. Speaker, first of all, I would like to congratulate the hon. member of the New Democratic Party who finally obtained the unanimous consent of the House to discuss the price of beef. We have been proposing such motions in

the House since the beginning of the session and they have always been turned down by the government. I believe that the situation has reached an epidemic level for our beef producers and that the federal government must act, even though the Quebec government does not want to ask for help, it seems, particularly since the primary cause of the beef crisis is the ever rising price of feed grain which seriously affects the market.

Mr. Speaker, the Prime Minister (Mr. Trudeau) suggested earlier that the slaughter which is going on in Quebec is almost senseless and quite useless. But tonight, I would like to make quotations reflecting the opinion of our farmers and explaining their behaviour. I believe that the Minister of Agriculture is misinformed or uninformed about the intentions of our producers.

If we consider the prices published in the Grain Chronicle of October 11, 1974, we find that in 1972, corn and barley cost only $1 and $1.40; in 1973, they had gone up to $2.04 for barley and $2.53 for corn. In August 1974, corn sold for $3.69 a bushel and barley for $3.50, and the dealers expect the prices to go up to $4.70 for corn and $4.30 for barley in a few months.

● (2110)

Mr. Speaker, I say to the minister that it is not exactly because of a beef or calf surplus in our area that the farmers have to slaughter their cattle, but because of the lack of money, a lack of means to feed the cattle this winter. That is why they would rather kill them this fall rather than go into debt to the extend of three times their value this winter.

However, what is most ridiculous about the situation, Mr. Speaker, is that in 1971, the government was paying western grain producers not to sow their fields because Canada would have had a grain surplus—at that time it was a grain surplus, now it is a beef surplus—which would lower consumer prices. Would it not have been more logical at that time to build storage facilities to guarantee supplies for three or four years in case of bad crops?

Because of this negligence, our farmers cannot feed their herds this winter. They will therefore have to sell them on the market for a ridiculous pricee since the big buyers will take advantage of this sad situation, as always, to get for next to nothing the producers' beef and sell it at fantastic prices. Proof of this is in the fact that the price of beef did not go down one cent at the consumer's level. On the contrary, consumer prices are constantly increasing. Our Quebec families still look for a few pounds of hamburger, the cheapest one they can find on the market, because they cannot afford choice meat.

For months Canadian producers, and Quebec ones in particular, have been increasingly begging both levels of government in the hope of getting relief from either side. It must be observed, Mr. Speaker, that in most cases where governments offered help, it was aimed at allowing farmers to get deeper into debt, to the point that their present indebtedness forces them to sell their land in order to repay finance people, while we are granting loans without interest to foreign countries, to the extent of hundred millions of dollars each year, for periods up to 60 years. I repeat without interest.

But we do not find the means to allow our farmers to secure loans at reasonable rates, in order to modernize their equipment and become truly efficient, as the term is used among self-appointed agricultural experts.

There is apparently a principle in Canada that what is good for foreigners is not good for Canadians. One must then conclude that Canadian loans are first intended to serve foreigners before Canadians may be helped.

As far as direct help to subsidize production is concerned, I believe the government will have to change completely its policy of helping industry by investing more into agriculture, our basic industry, before making grants with workers' and farmers' money to multinational American companies at the rate of $100 million at a time, under the pretence that these companies create jobs in Canada.

Mr. Speaker, I challenge the House to find in Canada one industry creating more jobs than farming. The government will have to stop playing international finance at the Canadian people's expense and remedy the current situation. The government is indeed well aware of the situation. Going through the beef price stabilization program, I realized they knew the situation. They could have submitted to the House measures we could debate. The situation is very simple.

There is an excess of supply, that dictates the price farmers need to earn their living, over demand. Prices fell below profitability level. Such is the case not only in Canada, but all around the world. Certain markets are glutted with beef to such extent that such countries as ECE members had to stop imports. This is only made matters worse. Further, he said:

> However, in the meantime, Canadian producers need help during these hard times.

I admire the farmers' courage. We continue to take things lightly, Mr. Speaker, and to give nothing.

I believe the farmers, after all the promises made by the two levels of government, have decided to take action, to use the only weapon available to them, to act in their own way. That is why there were demonstrations, slaughters, and calf destructions. There were not only calves, as suggested by the Prime Minister (Mr. Trudeau). He should not forget that all those calves were bound to become mature. The farmers had no hope of being able to feed them during the winter. This fall, there will not be any shortage of beef, but it will be scarce next summer or during the coming months. An article appeared in *La Presse* which reads as follows:

> Thousands of calves slaughtered on Quebec farms.

I shall read a few excerpts to give the minister an idea of what the farmers think:

> Mr. Paul Couture, president of the Farmers' Union, disclosed yesterday to *La Presse* that thousands of calves have already been slaughtered in various parts of Quebec in the last few days.
>
> According to Mr. Couture, it is due to the fact that farmers are unable to sell their cattle to feeders whose production costs are too high compared to the sales prices. For instance, it costs 60 cents a pound to raise a calf and its wholesale price is between 15 and 40 cents, according to its grade.

Being unable to sell or feed their calves, the farmers prefer to slaughter them.

The Farmers' Union now speaks a different language. There is no more talk about reports, study committees or recommendations to the minister, but of strategy and of fight to a finish with the government. To use the words of the secretary general, Mr. Jean-Marc Kirouac, it is necessary "to settle matters with the province before deeling with the federal government".

Farmers and especially beef producers want a standard of living comparable to that of city dwellers, which is far from being the case for the 38,000 Quebec farmers, except for a few.

The Farmers' Union sent to Premier Robert Bourassa a telegram requesting essentially:

—that the price of their products reflect production costs;

—that the cost of production be escalated;

—that the farm producer get an income comparable to that of the skilled worker in industry;

—that a $150 adjustment be given in two payments of $75 in the fall and in the spring to facilitate the purchase of feed grain during the winter;

● (2120)

This shows that there is no calf surplus but a lack of feed, and that is what the farmers are asking for in our area. On October 31, they said concerning the grants requested:

The grant proposed by Mr. Normand Toupin represents approximately 13 cents a pound and applies only to 2000 out of the 10000 producers who need it.

That is the problem at the provincial level, and that is why, if the federal government does not intervene and provide assistance, hundreds and thousands of calves will continue to be slaughtered. I now resume the quotation:

This $2.6 million grant applies only to the producers of slaughter calves, said Mr. Dagenais. It does not concern feeders who feed calves to produce beef . . .

According to the Union, this represents $40 million, of which the Agriculture Department gave $5.8 million—

This serves to give an idea of the amount Quebec is expecting from the federal government. Again I quote:

What is $34.2 million, he said, to save the Quebec agriculture, compared with the hundreds of millions of dollars given by the Quebec government as subsidies and tax exemptions to ITT, a multinational concern?

And what about the $90 million which the federal government granted to the american aircraft companies, supposedly for creating from 2,000 to 3,000 new jobs, when we know the number of jobs created in agriculture? Mr. Speaker, I feel comparisons are impossible in this case.

This type of slaughter was criticized by many people. Perhaps our farmers would have been better inspired to slaughter their steers in front of the supermarkets and give away the meat to needy families who cannot afford it.

Public reaction might have been better, for the general public cannot tolerate to be made aware of these destructions. As far as farmers are concerned, in view of the present situation, they had better destroy these animals instead of getting into debt for three times their value during the summer months.

Mr. Speaker, I wish I had the time to quote figures to give an estimate of the losses in the whole Saguenay-Lac-Saint-Jean area, but since the time allotted to us is very short and I do not want to go beyond, I will say very simply that the hon. minister ought to do something immediately and not wait one, two or three months or till the winter is over to take action in order to put an end to those slaughters of calves. We, the whole population of the Saguenay-Lac-Saint-Jean area, are looking forward to his action, and I know it can be effective.

[Mr. Gauthier (Roberval).]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I think this is an excellent opportunity, tonight, to review during this debate the situation prevailing in the beef industry in Canada. This debate is obviously the result of a series of events which happened those last few days in Quebec and reached its climax with the slaughter of a certain number of animals yesterday in the Saguenay-Lac-Saint-Jean area and particularly in the municipality of Saint-Bruno, within the constituency I am representing.

It stands to reason that I had to take part in this debate for several reasons. First of all as a member for an agricultural constituency; second, as an active member of the House Standing Committee on Agriculture, and as a consumer and a producer concerned with the producers' welfare, of course, and also in order to ensure food at decent prices to consumers.

Mr. Speaker, what caused the situation we are in today? Why have producers come to the point of organizing such demonstrations? We have to consider the governments' programs and the general situation in the meat trade and industry.

As regards beef, if we look back two, three, or four years ago, we will remember that some economists, some market analysts who make projections, were unanimous in predicting a beef shortage in the world markets. They predicted that shortage and they asked the government to take the necessary steps to provide against it.

Realizing they would be held responsible for that situation in one way or the other, governments responded to the suggestion and created programs to encourage the development of domestic beef production. Canada, the United States, Europe, the Common Market, Argentina, New Zealand, Australia, in fact all the important producers of beef most of which are at the same time exporters, developed programs designed to increase beef production. They had to, because it is not a production that can be increased quickly. Such was the situation about four of five years ago. This government participated in the program by providing assistance to increase grazing land, herd efficiency and to encourage artificial insemination, which developed very rapidly and permitted to increase the capacity of our beef stock, all of which resulted in the fact that our agriculture and our producers increased their efficiency more rapidly than the shortage predicted by analysts came along.

● (2130)

Finally, production was increased faster than the predicted shortage came along. We find ourselves today with surpluses, temporary ones, needless to say, which are going to vanish to a large extent within six months at the utmost and it is possible that prices will get back to a more normal level. If we fail to intervene promptly and judiciously it is also possible that the prices will increase more than normally due to a scarcity which can reappear.

Such a cycle is not easy to control, Mr. Speaker. The beef industry is confused because of certain government

measures. We have urged producers to increase their production in the face of a demand which seemed to be on the increase. It was not and we have surpluses today.

As a government we have, therefore, responsibilities towards producers, and we must live up to their expectations and help them. It became more difficult because production costs has increased excessively over the last two years. The cost of feeds and grain has almost doubled which has also been prejudicial to producers. Not only are they not getting a fair price for their product, once it has reached the market, but also it is costing them more to deliver it to the market.

There are many explanations to this, and as I have but a few minutes at my disposal, I shall not dwell on them.

I want to remind you that today, governments must take position on this problem and that the incident which has taken place yesterday in Saint-Bruno, in the Lac Saint-Jean area, has served as a spark to trigger this debate. As a representative of that area, I would like to say that the farmers in my riding are not more unruly than others. It is rather the contrary. They are disciplined producers who are aware of the fact that in order to sensitize governments, and especially consumers, a shock treatment is needed. Consumers have been used to pay a rather low price for food in Canada. They have been spoiled for years and it is difficult for them to accept paying reasonable price.

It is unfortunate that the farming community should have to resort to means such as those we witnessed yesterday on the national television network from Halifax to Vancouver. It is unfortunate that the farmers should have to resort to such means to make the consumers aware of the difficulties the farming community is now experiencing, and especially, which is more important, of the problems the consumers will have to face themselves in a few years if we, the people, do not accept to support the farmers who, in 1974, represent only 7 per cent of the Canadian population.

It is impossible for 7 per cent of the Canadian poeple to continue producing food at a low price and accepting to live on the fringe of society. It is indecent to ask 7 per cent of the people to work, produce and give the others comfort and more. We must take on our responsibilities towards that group of workers, the farmers.

This evening, we are dealing with the question of beef producers; tomorrow, we will deal with that of turkey breeders, and the day after, that of dairy farmers. The whole gamut of food products will have to be dealt with.

We have a choice, Mr. Speaker, we can abondon agriculture to its fate, and let it adjust to the natural forces of the market which tend strongly towards doing away with a third of the farmers, at the risk of perhaps having to pay very dearly for our food within the next few years. That danger exists even now, let us not forget it. Food could even be rationed, we could be deprived of it no matter how much money we would be willing to pay for it.

The danger is real and governments cannot shirk thir responsibility of ensuring decent food to the people. If we are to do our duty, as members of Parliament, we must support the government, the cabinet and especially the Minister of Agriculture (Mr. Whelan) who is fighting with all the the means available to him in order to obtain the support of his colleagues of the cabinet, but who must also get the support of each and every member of Parliament and of Canadian consumers to guarantee the farmers a decent income for the work they do for us, seven days a week, for very costly investments and also for the great risks they take in order to provide us with food. If we are not prepared to give this support to agriculture, we will have to accept the odiousness of the situation we will be in as consumers in a few years.

I say that if we rely on the studies, on the report of the Plumptre Commission or on the report which has just been tabled, Professor Forbes' report, we should let agriculture adjust itself to the forces of the market. If we do that, Mr. Speaker, in a few years the same people who recommend today sanctionning agriculture will probably say: the government did not act timely, the government did not look after the agricultural community and today, we face scarcity, rationing and starvation.

I sometimes wonder, Mr. Speaker, whether it would not be good for us to be rationed by the agricultural community for some time. It is perhaps a lesson we have to be taught and experience. We have been overfed for too long, we do not really know the price of the comfort we enjoy in Canada. I say farmers are getting ready to teach us a lesson. They warn us and if we are not intelligent enough to understand the message they want to convey, I think we deserve punishment, which perhaps will not be very long coming.

In July of last year, only 50 per cent of the expected shipments came in Montreal and dealers got only 25 per cent if not less, of their orders. There was restlessness in the newspapers or on television, everywhere. We heard a cry of restlessness. We thought we would have beef rationing, a phenomenon that had been almost inexistent since World War Two. We did not learn from last year's lesson. We did not learn and if we are not prepared to take steps to help our farmers, we deserve another lesson and we shall get it.

Before resuming my seat, I should like to refer more specifically to the situation in Quebec. There are approximately one million heads of dairy cattle in Quebec. The dairy herd is our main source of beef. Most of the beef we eat comes from that part of the dairy cattle not required for milk production. The cows are covered or artificially inseminated to produce beef animals.

Unfortunately the Quebec producer engaged in milk production cannot have the benefit of government assistance, of the excellent program announced by Minister Toupin of Quebec. I commend him for his remarkable program, undeniably the best of all those offered to beef producers in Canada. But of course it is meant exclusively for beef producers and those who devote themselves to milk production, who are bound to milk quotas cannot get this assistance and, perforce, must get rid of young calves as we saw yesterday, because there are no buyers.

We cannot expect those producers to feed those calves all winter long to give them to us free next spring! That is impossible! What we saw last night seemed to shock the weak-hearted. We saw happen in the open what occurs in the near building that is the slaughterhouse of the Saguenay co-ops. We saw the slaughter of animals. That is what

they do inside the building. There is nothing unusual in that except of course that we Canadians do not see that. We are quite pleased to eat those animals, of course, at meal-time. We do not see them being slaughtered and we are untroubled, we sleep peacefully, our conscience is at peace.

● (2140)

However, that is how the animals are slaughtered in our Canadian slaughterhouses, in my area as in any other area of Canada. There has not been any slaughtering of animals yesterday in Lac-Saint-Jean. It is not true. The slaughtering was done outside instead of inside. Personally, I feel too many were slaughtered, I approve of the symbolic protest gesture on the part of the farmers. Perhaps they could have slaughtered fewer animals as a symbol of their protest, but it seems they had to slaughter 600 of them in order to impress the Canadian people. Otherwise, there would have been no response.

I believe the goal set by the farmers in those Quebec demonstrations has been reached. We were made aware, the Canadian public opinion and authorities became aware of the situation. I hope the Canadian consumers were particularly made aware of the problems the beef industry has to face in Canada. We owe it to ourselves to do something and I hope we can rely upon the comprehension and support of all opposition members and particularly on the Canadian consumers' support.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, it is a great pleasure for me to take part in this debate and I am doing it following the account that was made by the hon. member for Lac-Saint-Jean (Mr. Lessard), an objective and balanced account, from a man of experience, who knows something about the agricultural situation in Quebec.

I must point out in particular that I was listening respectfully to the hon. member's remarks. And I hope that some day his magnificent qualities will be recognized and that he will be appointed as a parliamentary assistant or else to some higher office.

Mr. Speaker, on October 15 last, as I was taking part in the debate on the Address in reply to the Speech from the Throne, I said, and I quote:

> In agriculture, the government will have to launch a "green operation", as the saying goes, the time has come to give it all we've got. When one considers the proliferation of auction sales in Quebec especially, one soon realizes why the farmers are growing angrier.

And I added:

> Recently, 2,000 of them, in front of the Quebec Parliament, exposed their grievances. Madam Speaker, let us not wait till those people, who rightly hope the governments will solve their problems, grow so impatient that they go beyond the bounds of reasons and are led perhaps into even more difficult situations.

That was, Mr. Speaker, my assessment of the situation on October 15 last. The facts now show that my words which made government members smile at that time were unfortunately too well-founded.

Mr. Speaker, those pictures we saw on television of a public cattle slaughter campaign dramatized the impatience of producers and reminded everyone that their patience is not without limit. And that action we saw was a follow up to an increasing number of marches and demonstrations of all sorts in the province of Quebec which should bring public authorities to meditate on that situation. At the rate this discontent is increasing, we are one step away from social chaos.

It seems to me we have now reached a point of no-return when people exacerbated by the frustration of the cost of living, the inaction of those in power, feel they have to resort to extreme means to draw the attention of legitimate authorities on their disarray. It will have been necessary, Mr. Speaker, as the hon. member for Lac-Saint-Jean (Mr. Lessard) pointed out earlier, to slaughter 600 animals in Lac Saint-Jean for the governments concerned of both Quebec and Ottawa to stop and examine the Quebec agricultural record. This short special debate we are having tonight will be of any value only to the extent that we, all of us, deal with the causes of the anger of beef producers in particular, and farm producers in general.

What are those causes? What are the real basic problems in that whole business? That is what I would like to deal with without passion, without innuendos and without insults of any kind.

First, we all want, particularly in this time of inflation, to meet the needs of the consumer. We will manage it provided the farmer himself is satisfied and can plan the management of his business. However, the present situation of fluctuating beef prices makes such planning of farm operations positively impossible.

The federal government bears the primary responsability for the agricultural situation prevailing in Quebec in that it lacks planning in that respect as in many other ones, therefore allowing for the disorderly management of the cattle market and the exportation of American problems into Canada.

We have to realize that for want of an orderly beef marketing system, whatever it is, or of any other adequate solution, the victim once again is the consumer and also, as a matter of fact, the farmer, both being mainly, though not uniquely, people from Quebec.

And yet that situation is not new, since in some 40 years, 17 royal and other commissions, have revealed a lot of inconsistencies especially in respect of controls.

It is no surprise that the present government has apparently chosen for its motto: "Let go and let moo". Let us talk about controls, Mr. Speaker. Are the Minister of Agriculture and the Minister in charge of consumer protection aware of the fact that in Quebec for instance, and particularly in Montreal, swindlers and speculators of the worst kind keep the market under their own control by storing at leisure Canadian beef or United States imported beef. I urge them to check whether that is true, and to take the necessary measures to put an end to that shameful and antisocial process.

The federal government is again responsible in respect of the anger of Quebec farmers, since it has no really efficient control over intermediaries between producers and consumers. And, by third parties, I do not necessarily mean the wholesalers and even less the food retailers, but rather those profiteering adventurers on the make in our economic system and those people are well known to the ministers concerned.

If the governments in Ottawa and Quebec do not step in at the planning and control level, I am afraid that the predictions of some economists specialized in agriculture will become true when they say that in a year from now the consumer will have to bear a 50 per cent increase in the price of beef.

And more serious still, Mr. Speaker, is that every delay or refusal coming from the government in Ottawa or Quebec in answering the reasonable demands from the farmers concerned can only lead to the loss of a profitable industry in Quebe. In fact, we are running the risk of seeing our stock-breeders getting out of the production industry. Such a step would be economically disastrous for Quebec when agro-business relies on our producers for more than three billion dollars a year.

It is therefore urgent that the governments of Ottawa and Quebec, in answer to this green wrath come forward with a real "operation greenery" that will result in massive budgetary votes for the departments of Agriculture.

As far as I am concerned, Mr. Speaker, it is a question of justice that we effectively and quickly meet the essential and reasonable demands of the farmers especially those concerning production cost control and raw material price stabilization, as in the case of feed grain, for example.

The next budget of the Minister of Finance (Mr. Turner), a budget that we are all anxious to see, must bear witness to the importance that the government grants to the farmers of Quebec and those of the whole country. In actual fact, this whole thing revolves around a battle for the respect due to the agricultural class and profession. Mr. Paul Couture, president of the Agricultural Producers Union, had this to say on the subject last night at Alma, and I quote:

> If in one, five or ten years we wish to ensure the population of a good diet, we will have to give the farmers the assurance that they will be able to make a living out of farming. They are sick and tired of being treated as though they lived in a world apart.

Mr. Speaker, it is clear that the provisions announced to date by the Quebec and Canadian ministers of Agriculture are both inadequate and partial, as they only concern some of the producers. Incidentally, I do not quite see why the beef producers of district No. 6, which includes the territories of St. Hyacinthe, Farnham and Valleyfield, have apparently been excluded from the grant program recently put forward by Minister Normand Toupin.

In brief, Mr. Speaker, I am asking the members of the Canadian government not to let the responsibility for this whole thing fall on the shoulders of the government of Quebec alone. Recent answers from the federal Minister of Agriculture have given us that impression. Unfortunately, in the address he has just made, an address which was sometimes tinged with passion, I did not see where this impression was corrected, amended or erased.

The government members must realize the importance of the problem and they must consider that the Quebec farmers are quite serious in voicing their indignation when they said yesterday in Alma, and I quote:

> We are going to fight this battle to the bitter end; it may be long and hard, but it matters not, we have nothing to lose.

Mr. Speaker, if I am speaking like this tonight, as I do whenever I speak about agriculture, it is not because I have any special experience in that field, far from it, it is because I represent a riding for the most part rural and because of that I have always thought it was my duty, since October 1972, to be there with my constituents and meet farm producers as well as UPA officials.

I know how much the farmers from Saint-Hyacinthe and from all over Quebec, in all justice, need higher income and deserve a more human existence for they also are entitled to enjoy this civilization of leisure.

I have been elected and reelected mainly because I have become the protector of farm producers in my area and I intend in all honesty to continue to be the upholder of the farmers' cause.

Now, I say to the Minister of Agriculture that he can be assured of my sustained and continuous efforts which are identical to his. I assure him of my support because he will need it as he needs the support of all members.

In concluding, I say again, Mr. Speaker, that satisfied farmers mean satisfied consumers. And to that end, we will have to depend not only on statements made during an emergency debate but on specific action. I hope we will achieve something before it is too late.

● (2150)

[*English*]

Mr. Len Marchand (Parliamentary Secretary to the Minister of the Environment): Mr. Speaker, I am very pleased to have the opportunity of speaking during this debate tonight as one who represents an agricultural riding. The constituency of Kamloops-Cariboo has one of the largest cattle populations in the province of British Columbia. I was raised on a small ranch and I have some idea of and feeling for the difficulties now facing cattlemen. Over the years they have often faced difficult times.

I go along with what the hon. member for Medicine Hat (Mr. Hargrave) has said, that ranchers have faced many of these problems before but have prided themselves on not crying to the government for help. As a matter of fact ranchers have often told governments to keep their hands off and stay away because they want to ride out the ups and downs.

I do not remember all the things recalled by the hon. member for Medicine Hat as he has been in the game a lot longer than many of us, but I recall about 20 years ago when the price for cattle calves in British Columbia went up to 35 cents a pound, and that was a good price then. But not too many years afterwards the price dropped to 15 cents or 16 cents for good calves. The ranchers have ridden these ups and downs, and by and large have made a great contribution to the country.

In many ways the cattlemen of British Columbia find themselves in a more difficult situation than perhaps that of other cattlemen in other parts of the country. They have had a double-barrelled bit of bad luck as a result of a drought in British Columbia last year.

An hon. Member: Too many Liberals.

Mr. Marchand (Kamloops-Cariboo): Liberals don't cause droughts.

An hon. Member: Thank God; they cause too many other things.

Mr. Knowles (Winnipeg North Centre): They are all wet.

Mr. Marchand (Kamloops-Cariboo): Those socialists out there in British Columbia are causing other problems, and the people know what to do about that, at least in my riding.

There was a hay shortage last summer in British Columbia and many of the ranchers had to haul in hay over great distances. Many of the ranchers had a lot of outstanding bills, but as a result of a good market last year some of them were able to get out of the hole. Some were able to grow crops, but many ranchers on dry land had to haul hay from as far away as Manitoba, and even from the United States, at over $100 a ton.

An hon. Member: That's free enterprise.

Mr. Marchand (Kamloops-Cariboo): The socialist government in British Columbia didn't do a doggone thing for the ranchers of that province.

Some hon. Members: Oh, oh!

Mr. Marchand (Kamloops-Cariboo): Just let me finish the few remarks I have to make on behalf of those people I represent, and I will look after the socialists in the next election.

Many of the small ranchers in British Columbia had a double bit of bad luck. They hoped to be able to get out of that situation last year because of good markets, but this year as a result of various things, including the uncertain market, not only in Canada but in the United States, they were unable to do so. I suggest that the price and wage control program in the United States was one of the biggest factors contributing to the difficulties facing the beef industry.

An hon. Member: Who told you that?

Mr. Marchand (Kamloops-Cariboo): I can give you all kinds of proof for the statement that the price and wage program of the United States caused difficulty in the beef industry. I am sure the cattlemen were happy that the people did not elect those over on that side who advocated a price and wage control policy during the last election campaign. That is certainly the case in respect of the ranchers in my part of the country. They are among the last who advocate free enterprise, and they are pretty great guys.

I must agree with a couple of things said by the spokesman for the NDP. He expressed concern over the fact that these 600 calves were slaughtered and buried. No one in his right mind likes to see a situation such as we had in northern Quebec in respect of these calves. No one likes to see food wasted. In my opinion that was an irresponsible act on the part of those people. It should not have occurred under any circumstances. I do not wish always to be

referring to my colleague from Medicine Hat (Mr. Hargrave), but I agree with those sentiments he expressed.

● (2200)

One can imagine the frustrations of those people because of the amount of money they must spend in order to feed their calves. In talking to them one hears that it can cost up to 60 cents a pound to finish a pound of beef. That is a pretty rough situation. I do not believe even the Social Credit economics could work that out, Mr. Speaker. There is just no way to survive in a situation like that.

Mr. Caouette (Témiscamingue): Give money to the consumer and that will fix the whole thing.

An hon. Member: That solves that problem—next one.

Mr. Knowles (Winnipeg North Centre): I move we adjourn.

Mr. Marchand (Kamloops-Cariboo): I realize there are varying points of view about what should be done in this situation. There are no easy answers. I have a mixed view about this situation.

When the President of the Canadian Cattlemen's Association was in my riding we were told the point of view of that association was that the cattlemen should be left alone, that they are surviving. I do not fully subscribe to that view. That view might be all right for the big rancher. He can survive. He can ride it through.

However, there are many smaller producers, those who might have 200 or 300 head of cattle. They have been great contributors to the cattle industry and to the food supply of the country over the years. They have a very difficult time. I think something must be done for them. As a matter of fact in discussions with the Minister of Agriculture (Mr. Whelan) I have asked that he introduce a program. I think it is incumbent on him to introduce a program. I realize that it is rather difficult for him to do something at this time when many provinces such as Quebec, Manitoba, Saskatchewan and Alberta have introduced their own programs.

I should like to suggest two or three things which might be done. There is a need for ready cash. Many ranchers in British Columbia have suggested that perhaps there should be outright grants. I do not like outright grants. I do think, however, there is a good case to be made for interest-free loans similar to those available under the programs offered in Saskatchewan, Alberta and Manitoba. Quebec probably has the best program of all, yet we hear about government becoming too much involved in some of these things.

I think there is a real opportunity here for the cattlemen to start culling a lot of their older cattle. They should sell many of the old cows. Perhaps some ranchers have been saving them so that they would have more calves in the event that the price should increase. There never has been a better time to cull some of the old crotchety cows.

I also believe there must be a greater effort made to sell more beef. A program has been introduced by the British Columbia cattlemen which I think will be useful. They would like to cut out many of the middle people. They

believe the beef is handled too much from the time it leaves the rancher until it reaches the consumer.

Some hon. Members: Hear, hear!

Mr. Marchand (Kamloops-Cariboo): I was very pleased to note one suggestion they made is that the sale of beef to the freezer market should be encouraged. They are promoting the idea of selling whole hind and front quarters. This is a program they have just begun to promote. I think there are real possibilities here in respect of cutting out many of the middle people so that the rancher will get his product more directly to the consumer. This would benefit not only the rancher but also the consumer.

I have also been interested in the possibility of there being a full-scale inquiry in respect of the beef market situation. I am glad to see there is much consensus in respect of an inquiry of this nature. I feel great benefits would accrue to the rancher as well as the consumer if there should be a full-scale inquiry, particularly in respect of what happens to the beef after it leaves the farm gate.

I am not in favour of a marketing board concept. The legislation is available to the producers if they should decide to avail themselves of it. They could use the provisions of the Farm Products Marketing Agencies Act. The cattlemen do not want to do this, and I do not believe this is necessary. However, there is a real need for an inquiry in respect of the marketing of beef after it leaves the farm gate.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, as a farmer and producer I am very pleased to enter this debate this evening. Although I am not a producer of beef, over the years I have seen many producers of different products in much the same situation as the beef producer is in today. There are many ranchers in my riding which is similar to that of the previous speaker, the hon. member for Kamloops-Cariboo (Mr. Marchand). It is in the dry belt of British Columbia.

At this time, for the benefit of the hon. member for Kamloops-Cariboo, I should like to set the record straight in respect of what happened last year concerning the drought and its effect on the beef producers in this area. It was one of the most difficult times these ranchers experienced. There was a combination of frost and dryness. Not only were their ranges and hayfields dried out, but also the frost killed their alfalfa and the fields they cultivated. In British Columbia the provincial government awarded a transportation subsidy to those ranchers who haul in hay from—

● (2210)

Mr. Benjamin: "Tomahawk" said he was interested in culling.

Mr. Whittaker: I am giving the government of British Columbia a little credit, Mr. Speaker, and members of the same party in this House should take it or we will start talking about the land freeze. This transportation subsidy was $15 a ton. But then they came to the federal Minister of Agriculture (Mr. Whelan) and asked him to help them with it. At the same time I was pleading with the minister to match the subsidy, but instead of doing that he paid half of what had already been paid. He could have done more for the rancher at that time, but he did not. It cost some of these people up to $100,000 to feed their basic herds, and they had to do it because there were officials from the federal government telling them not to count on selling their herds, but to feed them. The Minister of Agriculture was telling them how wonderful agriculture was in Canada, what he was going to do for them, and to keep producing. But today the bankers are telling the same people that they must sell. The market price today is lower than it was a year ago. This constitutes a disaster for the ranchers.

I know from experience that in the past other producers have found themselves in a similar situation to that of the rancher today. We have been pleading with the federal government for years to bring in agricultural policies which will give the industry a solid base. There have been many passionate speeches over the years on the plight of the farmer and the plight of agriculture, but really we have not seen any action to remedy the situation. No good, concrete farm policies have been produced to sustain the industry in times of trouble. There have been the shotgun programs which the minister spoke of this evening. If that kind of program had done anything to help the beef industry, we would not be here this evening. The minister can talk until the cows come home about the subsidy, the surcharge, the stabilization program—but he did not offer any solution.

We have heard from the government that we need high production in order to solve inflation. When we get high production in eggs and in beef, what happens? If the government is going to encourage high production at the farm level, it should have programs ready to take care of overproduction. The percentage of overproduction does not have to be very high to give rise to a situation such as we have experienced in Quebec.

We heard the hon. member for Kamloops-Cariboo (Mr. Marchand) say tonight that the rancher should cull his old cows. If he did that today, he would get five cents per pound, which is about $28 or $30 per animal. Mr. Speaker, that hardly pays for transportation to the yard. I am very pleased to associate myself with the remarks of the hon. member for Medicine Hat (Mr. Hargrave). Because he knows the beef industry very well, he made an excellent presentation of the problem and what should be done about it.

The Minister of Agriculture told us what he has done, but it has not solved the situation. He did not say anything about what should be done, however, or what is going to be done. Last week in the agriculture committee I asked the minister about situations such as the one that caused this debate. He said that the stabilization program should help the farmers indirectly, and that there was the hope that the cow-calf operator selling his calves on the feeder market would get some security. Mr. Speaker, the producers cannot live on "should" and "hope": they must have something more concrete than that. We have heard the fancy speeches about what good citizens of Canada the producers are, and how they feed the nation. But that is not good enough.

The stabilization program will only cover about 50 per cent of the cattle going to market. It will not cover cattle

going to market at the rancher level, at the cow-calf level, at the grass-fed level, such as those in my riding and in much of British Columbia. If the industry is to be sustained, stabilization must be at the level of the basic herd. We are in danger of losing much of the basic herd in Canada. The hon. member for Kamloops-Cariboo told us about the ups and downs of the rancher and the low prices he is getting. Mr. Speaker, I submit that producers today, particularly young farmers, will not stand for this kind of treatment. They want the same kind of treatment that is given to people in the urban areas. They want stability.

Tonight there has been a call for an inquiry; I have even heard a royal commission mentioned. I assume what is meant is an inquiry into the price of beef at the consumer level. We already have the Food Prices Review Board. Is this not what it was set up to do? Certainly it is costing the taxpayers of Canada a great deal of money. I think that the members of that board have done this. I would not want to say for sure that they have, but they certainly should have if they have not.

● (2220)

Over the years, on many occasions, the same type of plea was made for inquiries or royal commissions. Actually I do not think there has ever been a time when any complete inquiry or information has proved that there was anything wrong at the higher level. Let us ask the Food Prices Review Board; they should be able to tell us quickly if there is, Mr. Speaker.

It is at the producer level that the problem which has provoked this debate tonight has arisen. Ten cents a pound for beef at the producer level is a lot of money. It is not the same amount of money when you go up the chain. So I do not think that what we want is an inquiry or a royal commission inquiring into the meat industry. What we need is some concrete action by the government to look after the over-production and to ensure that the producer is making a living.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I must say, first of all, that I am happy to see the Minister of Agriculture (Mr. Whelan) back in the House tonight, awake, alert and alive. I think that the type of speech he gave tonight was the first one for him. I have never seen him so excited, nervous and emotional as he was in the House tonight. I must admit that in rhetoric and oratorical style it was one of the liveliest I have ever heard him make. But let us digest what he said.

What did the minister say? He said nothing at all. All he did was catalogue what he has done in the past for the beef industry. All of us know what has happened to the beef industry since he took office. But he did not say a thing about what he would do now to alleviate the situation. He said he would be making a statement in the House this week about his new program. I ask through you, Mr. Speaker: why did he not make that statement tonight? Is that all the sympathy he has for the cattle producers and consumers in this country?

The minister did not tell us a thing tonight. All he managed was to do a lot of politicking and to spout a lot of rhetoric. He has a reputation for doing a lot for farmers but, so far as I am concerned, he has not done anything at all for farmers except to spout rhetoric from one end of the country to the other. The time has come when the minister had better start delivering in the House.

The four provincial governments, Quebec and the three prairie governments, have all recognized that there is a crisis in the beef industry today, and they have all tried to do something within their own limited means. But the Minister of Agriculture has been very critical of them and cynical about them. He said that they have not done enough, that they have not done the right thing, and that they are fighting among each other.

I have discovered today, talking to one of the officials in one of the provinces, that the minister and his officials have not even spoken to the provinces for the last four weeks about the problems and policies in the beef and livestock industry. Is this a crisis, or is it not a crisis? Do we have a problem, or do we not? I should like the minister to answer some of these questions, but he did not see fit to do so tonight when he spoke to the House, and made the dramatic appeal to us to understand the point of view of what he thinks is the best Minister of Agriculture that the country has ever had.

The time has come to do something for the cow-calf operator, something which in the long run will benefit the consumer also.

Mr. Whelan: The government of Saskatchewan did not do anything.

Some hon. Members: Oh, oh!

Mr. Nystrom: The minister speaks about the government of Saskatchewan. Let me tell him that they put more money into the cattle industry than this government is doing right now. At least we in Saskatchewan have a cash advance program. The Saskatchewan government is trying to do something, as are Quebec, Manitoba and Alberta. There is need for federal action. It takes money to stabilize the industry, and you must do that at the federal level, not through the various provincial governments.

There is a crisis. What we saw on television last night was something that I am sure all of us deplore. We saw 600 head of cattle slaughtered by farmers. That has never happened in this country before. We have never seen anything like it before. I am sure everybody in this country deplored what happened. But why do we not look at some of the reasons why it occurred?

Why did farmers decide, all of a sudden, to take cattle that they raised and fed in the last few months and slaughter them, one every 30 seconds? The reason is that cattle are hardly worth selling because the price has dropped drastically on the market in the last few months. Prices are down by one third to one half of what they were a year ago. In my riding in Saskatchewan this last week end I spoke to many farmers who had sold cows for eight cents a pound, cows that were at an age when they should be bred and produce calves next spring. Yet, farmers were selling out and depleting their herds. Calves are going for less than 25 cents, some for 10 cents or 15 cents a pound. One cannot find buyers.

When something like that happens, it is a crisis—a serious crisis. Who will benefit? No one will benefit except

perhaps the packing company, some of the retail stores, and some of the buyers in the short run who will buy at a low price and sell at a much higher one. What has happened to the price of hamburger, steak, veal, and so on? It has not come down despite the fact that the farmer is getting a low price for his commodity. Despite that, the minister has not seen fit to keep his commitment to the House and to the farmers of this country and to announce this week, as he promised, what his new program will be. I ask him: when will he make a statement? When will he provide us with the leadership that he has promised us? He led the farmers to believe in the last few months that he would provide leadership.

The price has fallen for the farmer, particularly the cow-calf operator. He is the small fellow who operates in a riding such as mine. Despite the fact that the price he is getting has fallen, the cost of producing a cow has risen drastically in the last year; in some cases it has nearly doubled. The feed cost and all input costs to producers of livestock in the country are up, Mr. Speaker.

Some agricultural economists to whom I have spoken told me that for every calf a producer is selling he has to bear a loss of about $150. When that occurs there is no way in the world that farmers will stay in business. They will sell their herds, sell their breeding stock, and get out of business. As a result we will have a shortage of cattle in this country in the next year or two, and if the consumer thinks he is paying a high price now, let him wait a year or two by which time prices will skyrocket because of the shortage of beef.

The Minister of Finance (Mr. Turner) speaks about increasing production and increasing supply in this country. Yet we will have a shortage of supply deliberately engineered by this government because it is not doing anything to solve this problem. When there is a shortage of supply, the price goes up. It is not possible to raise cattle quickly. It is not the same as in the case of hogs or poultry.

You cannot suddenly raise cattle. It is a long-term proposition. For that reason something must be done by the government very quickly, and it must be done on the federal level because we need the type of resource that is available at the federal level. It think we must have an emergency plan at this time, a subsidy for livestock producers such as has been started in Quebec. That subsidy should cover the difference between the market price and the cost of production of livestock in the country.

● (2230)

The cost of production is feed costs and other costs, plus the farmer's input in terms of his own labour and profit. If you provide a subsidy you will have the farmers and ranchers keeping their cows over the winter, and next year we will still have the herds we have at this time. That is the only way to stop farmers from selling. If we do not do that, they will sell out by the thousands all across this country. The government must make that commitment. It must subsidize the cattle industry, particularly the small cow-calf producers.

In the long term the time has come for us to say to the cattle producers what they need are marketing boards. They need some organization and some clout in the market place. They must plan their production. The beef industry is one of the few agricultural industries which does not have a marketing board. Look what has happened. This industry has been going up and down. It goes up to the peaks and down to the valleys.

When there is an oversupply prices drop, and then there is a shortage. The only one to suffer besides the producer is the consumer, who has unstable prices in the grocery store. It is time to end the fluctuation in that industry. The only way to do that is to have a marketing board in which the farmers have a voice. They will be able to bargain for their product and have stability of production.

Something else we must do is guarantee prices so that the little guy can afford to get into the cattle industry, raise calves, and stay in business without being squeezed out by the big rancher. I have no sympathy at all for the large cattle rancher in Alberta who runs his outfit like a factory or huge industry. The one I am concerned about is the small cow-calf operator. The Minister of Agriculture should be spending millions of dollars trying to save him. He should be kept in business. He should keep his calves for the winter, and keep his cows to produce next year.

What is so sad about this whole affair of seeing cattle being slaughtered or hung, and food being destroyed, is that Canada is one of four or five countries in the world that are net exporters of food. There is no reason why this country should not be producing all the food we possibly can, and exporting it through the world food bank or the United Nations as part of our foreign aid.

Millions of people are dying of starvation in Africa, Asia and other parts of the world, yet the government is not encouraging the farmers of this country to produce beef and livestock. Three years ago, when millions of people were dying of starvation, the government told the farmers to get out of the wheat business through operation LIFT. That was highly immoral.

We in this country have the capacity to produce. We should use that capacity to the fullest extent, and produce all the food we can in order to feed the hungry people of the world. The farmers of this country want to do that, and that is what the Canadian people want them to do.

A world food conference will be opening in Rome on November 5. One of the proposals that should be made by the government is that Canada will commit itself to supplying a lot of food, beef, livestock, grain and so on, to the world food bank to feed the hungry people of the world. We have not yet had a statement about that from the Secretary of State for External Affairs (Mr. MacEachen).

With the situation in this country, it is time to push for a world food bank. If we do that the farmers in this country will have a stable future, a stable income. There will be guaranteed exports for their commodity. There will not be the constant up and down in the market place that we have in the world today. However, that type of support is not coming.

The minister promised some action. In answer to questions by myself and other members of the House during the past week or so, the minister promised a new program. He has not yet come forward with that. I wonder whether he is waiting until tomorrow or next week when a bit of the heat dies down. The provinces alone cannot save the

cattle industry. Cattle are sold across provincial boundaries, exported and so on. Responsibility lies solely on the shoulders of this minister. However, he did not do a darn thing tonight, and the people of this country should not forget that.

Mr. Norman A. Cafik (Ontario): Mr. Speaker, the motion before us under Standing Order 26 contains three specific elements. First there is a reference to the crisis in the meat producing industry. The second was manifested by the destruction of calves in Quebec, although I am not sure the crisis really started there. I feel a lot of people knew about that before the spectacle last night. The third is the high price for beef paid by the consumers of this country. I wish to deal with all three elements in sequence.

First, with respect to the crisis in the beef industry in Canada, it is quite evident that we have one. That crisis seems to stem basically from three things. First, the domestic and world surplus of beef is quite evident to any unbiased observer. The second is the price of feed grains which has risen between 200 and 300 per cent in this country in the past 12 months. Third is the anticipated levelling off of finished beef prices and the relationship of that to the whole equation.

I wish to illustrate the combined effect of high grain prices and the presumed levelling off of prices for finished beef in the industry. To illustrate that I wish to use an example. In 1969-70 feed grain prices were low. The offering price for calves in that particular period in the calf market for entry into the stocker and feeder market went up very substantially because of two factors. First, the input costs to bring calves to market were down because of lower feed grain costs. Secondly, there was an anticipation in the market that beef prices would rise. As a consequence of expectations of good profit by those who were bringing calves through the system, offers for calves rose considerably.

Today the problem is exactly the reverse. Feed grain costs are up 200 to 300 per cent over the past 12 months, and finished beef prices are anticipated to be relatively stable at the present time. Therefore, stockers and feeders are not willing to pay a high price for calves simply because the equation will not allow them the kind of profits they feel are appropriate. Thus, with the expectation of good profits by bringing calves into the system, people will pay more for calves. When they do not expect to be able to bring their calves through the system and make the same kind of profits as they are accustomed to, they obviously drop their offers for calves in the first instance.

Very simply put, the equation is that as feed prices go down, calf prices go up and as feed prices go up, calf prices go down. In the past number of years we have seen that equation fulfilled in every instance. I wish to give some examples of what has happened in terms of the value of calves in the market, bearing in mind the costs of feed grains in the past year have increased between 200 and 300 per cent.

I have statistics which indicate that in the Toronto public stockyards in August and September, 1973, the prices for slaughtered calves, normally called vealers, were approximately $62 in August and $59 in September. In 1974, the prices for vealers were $49 in August and $46 in September. The average price of slaughter cows in August, 1973, was roughly $40 as compared with $26 in August, 1974. The price of feeder calves, in August, 1973, was $63.77 compared with $40.11 in August of 1974. Yearling steers fetched $57 in August, 1973, and a year later the price was down to $40.22. These statistics certainly show there is a crisis in the calf market.

● (2240)

An hon. Member: What is the solution?

Mr. Cafik: Wait. I want to get the principle established first. That is more than the hon. member who raised this question sought to do.

There is no doubt at all that there is a crisis. People selling calves are getting less money than the costs they must incur entitle them to get. I do not know the solutions to all these complex problems by any means, but there can be no doubt that under our constitutional form of government, the solution, whatever it is, must be worked out along the lines of federal-provincial co-operation. The provinces themselves have taken steps to alleviate the immediate difficulty, and I do not think there is any doubt in the minds of anyone in agriculture that the Minister of Agriculture (Mr. Whelan) is lending his full support. He stands unique among ministers of agriculture in the concern he has shown for producers in this land and for the action he has taken on their behalf.

Some hon. Members: Hear, hear!

Mr. Cafik: The second element to which the hon. member for Oshawa-Whitby (Mr. Broadbent) directed our attention obviously concerns the destruction of food in the province of Quebec, dramatically illustrated last night on television. Action of that kind cannot be condoned in my opinion and my hon. friend, the Minister of Agriculture, concurs with that view. One appreciates that the situation in which these producers find themselves must be severe when it drives them to this kind of action. As I say, it is understandable, even though it cannot be condoned.

The third element involved in this motion is that of high prices to consumers. As Parliamentary Secretary to the Minister of Consumer and Corporate Affairs I should like to address myself in some detail to this question. First, I am a little nervous that a false impression might be created by the motion itself and by last evening's dramatic illustration of the low price which calves are fetching.

The impression may be left that the price of beef cattle in all ranges has declined as far as the producer is concerned. The information at my disposal does not indicate that this is true. Beef production is a complex business. There is the finished beef market, the stocker market, the cow market, the cow-calf operation. Lower prices to the producer have not been recorded in all those areas.

Today the price producers receive for finished beef is not very different from what it was last year, and 70 per cent of the beef we buy for our tables comes from the finished beef market. It is important that consumers should understand this lest they get the impression that, because calf prices have declined so significantly, the

price of finished beef has also declined to the same extent. It is true that prices for lower grade beef have declined and questions have been raised as to whether those reductions have been passed on to the consumer.

It is important to note that today in a committee dealing with an agricultural commodity, namely, eggs, Mrs. Plumptre of the Prices Review Board said she would be bringing forward tomorrow two reports on the subject of beef prices. The original report was put out in June. Another will be made public tomorrow, and I am sure all of us look forward to hearing her findings in this area. I understand that tomorrow she also intends to make public a report on retail price spreads in the beef sector, which should give us a clear picture of what is really happening in connection with beef after it leaves the producer and before it ends up in the hands of consumers.

I do not know what these findings will be, and none of us yet have access to this report. However there is no doubt it will be of great interest to consumers who wish to find out whether in fact any lowering of prices to producers has resulted in a corresponding reduction of prices at the retail level, or whether any benefits which are to be found there have been lost through an increased price spread. There has been talk in the House about the presence of too many middle men in this whole process. At this point I cannot make such a judgment although I basically suspect this to be true, and I look forward to reading what the board has to say on this particular aspect.

It has been said there is need for a commission of inquiry under the Inquiries Act to look into the price of beef, or for a royal commission to carry out this task. Since the Prices Review Board will be bringing down these two reports tomorrow I suggest it would be appropriate for hon. members to study them before asserting that there is a need for further expenditure by way of setting up royal commissions or public inquiries. The Department of Consumer and Corporate Affairs and my minister, in particular, are extremely anxious to study the contents of the two reports to which I have referred on a priority basis to see what action might be taken to assure Canadian consumers that they will get a square deal in the marketplace.

As hon. members know, the government has put forward a series of legislative measures for this parliament to consider, measures such as Phase I of the Competition Bill to protect consumers against misleading advertising and to guarantee real competition by means of anti-profiteering legislation along the lines of the bill which was introduced in the previous parliament. That bill will be reintroduced, perhaps in a different form, in the present parliament. This bill will, I believe, constitute a legislative basis for the kind of action consumers believe should be taken. I hope opposition parties will co-operate with the government to ensure that the action that we want to take on behalf of consumers is made possible, and that they will support this measure rather than hold it up here in the House of Commons.

● (2250)

In conclusion, I simply want to assure the Canadian public that the Department of Consumer and Corporate Affairs and its minister will do everything in their power to be the guardian of their proper interests.

Slaughter of Calves

Mr. Gordon Towers (Red Deer): Mr. Speaker, once again I am pleased to rise in the House of Commons to take part in a debate, one that is of utmost importance not only to the beef producers but also to the Canadian consumers.

I was glad to hear the remarks of the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Cafik) and his revelations. I wish he had stood on his feet a little longer and told the House why the department knew that eggs were rotting on May 31, yet kept the matter quiet until after the election.

That is the sort of thing that is happening under this government, and it is why we have the problem we are discussing tonight. The government has no agricultural policy at all.

Mr. Cafik: Mr. Speaker, on a point of order, the hon. member is referring to activity taking place before a committee of the House of Commons. If the hon. member wants to talk about that subject I think it would be more appropriate for him to do so in the committee. I have not seen him do so as yet.

Mr. Towers: Mr. Speaker, I recognize from that statement that I have really hit a tender spot so far as the hon. member and the government are concerned. The hon. member for Kamloops-Cariboo (Mr. Marchand) said there was a double barrelled problem here. Actually I would think it is a triple barrelled problem, and the third barrel is a Liberal government that the beef industry has been trying to defend itself against during the past several months.

No industry can withstand the manoeuvring that has been applied to the beef industry in the past 18 months. No industry can have six successive changes in policy in that short period of time and survive without problems. I must say I feel sorry for the Minister of Agriculture (Mr. Whelan) because he is having real problems with the government.

The hon. member for Ontario said that the Minister of Agriculture is interested in and concerned about this question, and that he is a minister of action. Unfortunately the only action we have had from the minister constitutes his travels around the country telling the producers what he is going to do for them. I can assure him that the agricultural producers will not accept this kind of malarky for very long; they want action. This is why we must have an agricultural policy that will take into account the inflation that exists at the present time.

The problem we are discussing did not commence with this Minister of Agriculture. It started with the Liberal government of six years ago which introduced the LIFT program. That was the time when the government started to meddle in the cattle industry and encouraged a lot of people to get into the industry, people who should never have had anything to do with it. As a result the Minister of Agriculture is now suffering from the actions of former Liberal ministers of agriculture. He is not getting the support from the cabinet that he should in order to extricate himself from this dilemma, because, apparently the government does not know how to solve the problem.

Mr. Whelan: Has the province of Alberta spent any money on the beef industry?

Mr. Towers: The situation we are discussing tonight can be found all across Canada. Last week calves in my part of the country were given away because they had no value. They are not killing calves in Alberta, but they are of little worth. It is unfortunate that the situation in Quebec was dramatized the way it was, but we must recognize that it happened and that we have to live with it. I consider it immoral to destroy food in a world where there are hungry people.

Let me return to the lack of government policy. One of the first bills that the minister presented to the House of Commons was a crop insurance bill. We wanted to amend that bill but the minister would not accept our amendment. If he had accepted the amendment, it would have encouraged farmers not to go into the cattle business but remain in the production of grain. They tried to use the cattle industry as a buffer, so that if one aspect of agriculture failed they would be protected to some extent.

The minister in charge of the Wheat Board (Mr. Lang) has promised to bring in a stabilization program. If this program works it will be to the benefit of the agricultural industry, but it will run counter to the crop insurance program introduced by the Minister of Agriculture. There is not room for both, but if the crop insurance program were made to work properly, it would stabilize the grain industry to a great degree and there would be no need of a grain stabilization program.

I am sorry that people are suffering as they are at the present time, but the Minister of Agriculture will not accept any advice offered from this side of the House. We have made suggestions which he did not accept. When he introduced the present beef subsidy program I said at the time it would be of no benefit to the producer unless chaos hit the industry, and I say the same thing today.

The hon. member for Medicine Hat (Mr. Hargrave) dealt in detail with the minister's beef subsidy program, which is based on a 45.42 cents a pound average over the year. If the cost of putting on a pound of beef is 60 cents, this subsidy is 15 cents below the cost of production. The fellow in the beef feeding industry will try to protect himself, so he in turn is going to buy that animal at 15 cents below the subsidy price, which means that the selling price of the animal is down around 30 cents a pound. There is no way the cow-calf operator, in these days of inflation, can exist receiving 30 cents a pound for his calves, but there is a chance that he could survive with 40 cents a pound.

It is rather ironic, Madam Speaker, that a year ago last spring fat cattle were being sold in Alberta for 42 cents a pound, or $42 a hundredweight. At 42 cents a pound the beef producers had never made more money in their lives out of the cattle industry. This year, 12 months later, they were selling their cattle at 45 cents to 48 cents a pound, and they have never seen a time in history when they were losing money faster. The reason is, of course, the inflation factor which has hit the industry and the cost of production, something the government has failed to consider or to deal with adequately; hence the problem at the present time.

I sincerely hope the government does not try to ride out this dilemma on the backs of the grain producers. I am sure the Minister of Agriculture will agree with me when I say that the grain producer is finally getting a price for his product that will enable him to survive and to buy a few of the things he has been waiting for for so long.

● (2300)

The grain producer has gone through a very difficult period in the last several years and I sincerely hope the government does not adopt a policy that is disadvantageous to him in order to offset or circumvent another serious situation, in this case the dilemma we are debating tonight. The minister in charge of the Canadian Wheat Board has been hesitant about establishing an initial price within an acceptable ratio.

Today No. 1 barley is worth $3 on the world market yet the western grain grower is receiving $1.35. That does not make sense unless the government is trying to manipulate the producer into a position where he will have to sell his grain for feed, thereby getting the government off the hook. I hope it is not too long before the minister establishes an initial price for grain that will convince the producer he is not being used to get the government off the hook in so far as the livestock industry is concerned.

I remember the Minister of Agriculture standing up in this House telling the agricultural people to produce to beat the band. That is what they did, and now what has happened? Some 28 million eggs have gone bad, and we have a cattle situation he does not know how to correct. Until the government comes up with a long range agricultural policy for the benefit of the people, we will get nowhere. The government will continue to jump from crisis to crisis, and no matter how hopping mad the Minister of Agriculture gets, as he did tonight, we will get nowhere.

I hope the government sits down and establishes a long range agricultural policy for the benefit of the producer and the consumer, without manipulating one segment of the industry against the other. Canada needs a policy today which will afford the producer a certain degree of protection, guaranteeing that he will not be producing at a loss. If the time comes when we have a general shortage the person who will suffer most is the consumer. After all the agricultural industry is engaged in producing something for the consumer, and if that industry does not produce we will be in a sorry situation in a world which is becoming hungrier and hungrier as the days go by.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Madam Speaker, who knows what tomorrow holds? One week, we hear that millions of eggs are being destroyed, the other week that wheat was spoiled in the west last winter, then we hear of problems concerning milk, whole milk, powdered milk, industrial milk. Then we hear that there are not enough workers to harvest fruits and vegetables, and this happens all across Canada. Tonight, after listening to half a dozen liberal members, I find that not one of them has suggested a solution to the problem, not even the minister. We ponder over the facts, and we say to ourselves: we are going to look for a solution, but we always wait until the

situation is a real mess before we start to discuss solutions.

Madam Speaker, I ask: who knows what tomorrow holds? That is especially true of this situation. Four months ago, we had a federal election. The liberals are on the treasury benches. That is true. At that time, a dozen ministers visited the Saguenay-Lake St. John area. The Prime Minister flew there by helicopter. The member for Lake St. John (Mr. Lessard) was there and at that time the liberal party had all the money they needed to buy the "two-footed calves" of the area. At that time, they did have the money. Four months later, the same party is in power and it no longer has enough money to buy four-footed calves.

That is a paradox, Madam Speaker. Last night, on television, I watched calves being slaughtered. The member for Lake St. John says the calves were not slaughtered. No, they were doing the same thing as in slaughter-houses. The only thing is that in slaughter-houses, this is done behind closed doors. Last night it was done in public. And this is not a slaughter! What makes it a slaughter is not that they killed the calves. We know that when calves are sent to the slaughter-house, only the bones are taken away, and the meat goes to the consumers.

● (2310)

In Saint-Bruno, the meat went into the hole, along with the bones. The calves were buried with milk, eggs and some dirt. It did happen in the Lac Saint-Jean area. It is unthinkable! It reminds me of what happened 40 years ago. That was a long time ago. In 1934, wheat was burnt in western Canada, because the crisis was international. The next day potatoes were burnt or dipped in washing-blue in New Brunswick, because there were too many potatoes. Thousands of bags of flour were thrown in lake Superior, lake Erie and lake Ontario, because there was a world crisis.

Meanwhile there were unemployed in Canada. Families were not even getting welfare allowances because they did not exist then. A massive destruction of farm and other products took place. The same situation is happening all over again, but we are told: No, there will not be an economic crisis. Was not the destruction of animals in Saint-Bruno an insult to our poor and needy families? Nothing is said about those families. We talk about surplusses in Europe. Production of meat, wheat and other products has begun. Since we are no longer able to export, then let us quietly poop out here. What does that mean? Instead of finding a system that would allow the Canadian consumer to dig into his immense resources, we are being lulled by those words: Sorry, but there was nothing else the farmers could do.

Madam Speaker, the situation is serious and not only in agriculture but no solution is put forward in that field nor in any other field.

I asked the minister a question not long ago. Well, he said, the beef industry is the concern of the Quebec Minister of Agriculture. Quebec says: Marketing comes under Ottawa. We are witnessing a poker game. The buck is passed from the province of Quebec to the federal government and nothing is settled. Attempts are made to lull the people to sleep, but they will not be easily fooled.

Twenty-five years ago, when I was a backbencher, I said, as I say again today, that farming, the farm, the farmers, are the very foundation of the whole economic and social structure of Canada. Dress coats and beaver hats would turn to dust if it were not for the farmers, and yet we wait! The hon. member for Lapointe (Mr. Marceau) finds that amusing. But it is true! Everyone knows it.

The farmer is praised, but he is not given the means to live decently. His is the social class that is most neglected by the governments of Quebec and Ottawa. All other groups of society have obtained working conditions the farmers have been denied. The farmer is "trapped" at home, seven days a week, without holidays, summer or winter. He has to milk the cows, morning and night: they never go on strike. The farmer is tied down to his job. Our attention turns to him only when we are up against such situations as this one. Otherwise, we take no notice. No one offers solutions. What is the solution?

Twenty-five years ago, I suggested building refrigerated warehouses and others in which to store food produce when it cannot be sold; those stocks would eventually be sold normally. The government should give financial assistance to that type of construction, as it did, up to a point, for the storage of wheat. It was not done in the case of meat. That is left up to the big companies.

A while ago, the hon. member for Kamloops-Cariboo (Mr. Marchand) said there may be too many middlemen between the farmer and the consumer. It may be true, but what is the government waiting for? Why does it not help the farmers to set up public markets where the consumer could buy directly from the farmer? That would do away with the thieves between the two. Though I must say some distributors are honest.

We have seen backers of electoral party funds, like the fellow Obront, in Montreal, who got caught up to his neck by the underworld for having financed the provincial liberal party. Madam Speaker, those are the people who devour both consumer and producer, the producer who now sells his veal 15 cents a pound in Quebec, when it costs him 43 cents a pound to feed the calf.

As mentioned a while ago, in Saskatchewan beef was paid 8 cents a pound. How come store prices do not change? The other day, last Friday, I bought four T-bone steaks and paid $12 for them; that is the price of a calf at Saint-Bruno.

An hon. Member: They are not yet on the market, the calves of Saint-Bruno.

Mr. Caouette (Témiscamingue): They are not yet on the market. Madam Speaker, this is terrible.

In the Ottawa area, a committee investigates supermarkets, A.L. Raymond, IGA, Steinberg and others, to compare prices. We hear on television that A.L. Raymond has much lower prices than the others. After having examined the reports, we note that they are on the bottom of the list and that they have the highest prices. The reports were useful for adjusting prices a little. Whether it is A.L. Raymond or another, I don't care. But it was good for adjusting prices a little. It established competition. There should be such committees in all Canadian cities to make comparisons between stores and to tell the consumer who

is selling at the best price. It is a way of curbing inflation. It is not only a question of noting, inventing or seeking, but of obtaining adequate prices. One sells at a higher price than the other, they say. If the public is informed about it, we will witness a price readjustment.

In the meantime, as far as agriculture is concerned, the only solution is to subsidize farmers, allowing them to make a profit on their cattle, to store meat for consumption when it cannot be sold, either through cooperatives, or by building storage facilities, or by establishing agricultural markets where the consumer will be able to buy at a decent price while bearing in mind that some profit must be paid to the producer.

Mr. Marcel Roy (Laval): Madam Speaker, it is a great pleasure for me to talk on a subject which, I am sure, leaves all the hon. members embarrassed. I think that no member in this House is very happy tonight, after having seen yesterday evening the television program on the demonstration of the Alma union group, especially when, at the end of the program, we were told that people starve in Bangladesh or India, for example. In Canada and particularly in the province of Quebec, we want to express our dissatisfaction with an agricultural situation by slaughtering calves.

It is not for me to judge such a situation. I do not think that farmers are involved because they love their animals. If they have reached that point, it is because they want us to hear their cry of anguish.

I shall endeavour, Madam Speaker, to make a brief review and then offer some solutions to the present problem. It is a most complex one. Agriculture cannot be compared to the shoe industry. Several factors limit our farmers' income, and I shall only list a few and devell a little more on the two main factors that have brought about this situation. Among the factors that could limit the producers' income when it involves a plant production, let us say that those producers are always under tension or subject to factors which could definitely restrict their crops, namely insects or weather. There is also the fact that these products are perishable. It is sometimes difficult to bring them to the market when prices are more or less attractive. We are dealing with products with short or long production cycles. And yet we cannot turn on the tap when we need some product and turn it off three months later when we say that the consumer market can no longer absorb those products. It is still an other element that may limit the economic aspect of the agricultural industry. A regular supply must be provided. Our economists tell us that an increase of more than 4 per cent of consumption is enough to lower prices much below the production costs.

And now my last point: there is no relation between the finished product's production costs and the sales price's production costs, between the production costs and the sales price. This is precisely the problem facing us tonight, that is the gap between the sales price and the production costs. Since there is no relation between the two, the producer who had to process grain finds himself in this situation which we could express in figures. I have here the report published by Statistics Canada, Agriculture Division, on a comparison of receipts from farm products. From January to August 1974, the overall amount is $3,190 million compared with $824 million for 1970. I am referring to crops like wheat, oat, barley. With regard to cattle and other similar products, for the same period, we note for 1974 an amount of $2,725 million and for 1970, of $1,700 million. So we note an increase more than fourfold compared with the 1970 figures. But relating to cattle, we have barely a one billion dollars increase. This shows to what extent there is no relation between the gross product and the finished product's sales price.

[Mr. Caouette (Témiscamingue).]

Madam Speaker, I think that with regard to our Canadian agricultural industry, the objectives of the Department of Agriculture are as follows: we want to develop an agricultural industry that is stong, dynamic and competitive on all international markets. I feel that on this point we have succeeded because Canadian farmers are among the most knowledgeable in the world. We come first both in terms of quality and productivity as far as farm products are concerned.

● (2320)

Canadian farmers have bred the best Holsteins. They have developed the best wheat, the best layers, the best beef, the best dairy products, and so on and so forth. Canadian farmers are responsible for the best products in the world.

We have achieved our first aim. This productivity has not always been to the advantage of producers. When we consider the percentage of the family budget earmarked for food, we realize that consumers in Canada, compared with those in other countries, have largely benefited from this increased productivity by farm producers. In Canada, today, the percentage of the budget earmarked for food can be favourably compared with Italy, where one-third of the budget is used to buy food. In Great Britain, Sweden and Canada, these percentages are 25, 25 and 19 per cent respectively. This means that the first objective of the Department of Agriculture has certainly been reached.

As a second objective, we should see to it that Canadian farmers get higher incomes, in line at least with those received by workers in others sectors of our economy. This is a subject which we should pounder more. In fact, we have already done so.

We have won the Productivity Cup, a trophy which testifies to the quality of our products. Here is an example: Although our cars may be powered by very powerful engines, if we do not improve our roads, accidents may occur. In the area of farm products, if we increase production without regard for the needs of consumers, accidents may also occur. Legislation and standards dealing with production are essential. Well, this is exactly what we have done and we wish to continue to regulate this production.

A moment ago, I heard the hon. member for Saint-Hyacinthe (Mr. Wagner) argue that it is necessary, for justice's sake, to go all out and to strain our budget to the limit.

I think that production should be set to order as there is a marketing and distribution problem. This is precisely what we have been trying to do.

One remembers that when we established national marketing boards, we tried for two years in this House to put some order in production, while the members opposite

were condemning everyone of our efforts. The Progressive Conservative Party has systematically objected to the creation of marketing boards, but a Canadian association of beef producers demonstrated their support for such a national marketing board with a view to regulating production in cooperation with consumer markets.

The Progressive Conservative members have objected to the creation of a marketing mechanism to ensure a return to producers for their investments.

I think if we consider the dairy industry, we will find that producers cover their costs, and the increase in production costs has affected that industry as well. Nevertheless, they cover their costs and there is a national marketing board which is the Canadian Dairy Commission. There is also another marketing agency called the Canadian Wheat Board.

Madam Speaker, I would like to mention about this marketing problem and the increase in production costs that since there is a marketing agency, that is the Canadian Wheat Board, we should, according to the wish of the Farmers' Union, have some representation in this agency. Going back to the year 68, 69, and 70, when the world price of wheat was lower than the domestic price, producers and consumers from eastern Canada have agreed to pay a premium in order to secure at least a normal income to western grain producers. But it seems to me that the principle acknowledged through the establishment of the Farm Products Marketing Board was a worthwhile one, providing for a distribution of members in agencies and in the Council. Well now, we also have consumers at the agencies level. I suggest that we should have at least one consumer representative from the eastern provinces within the Canadian Wheat Board.

Therefore, I would ask for a review of the Canadian Wheat Board powers, so that eastern producers who consume 75 per cent of the food grain produced in Canada, may benefit from it. I would also consider as a normal step, if we have acknowledged the principle whereby consumers should be represented within the Canadian Marketing Board, that the Eastern provinces should also be represented on the Canadian Wheat Board.

In conclusion, Madam Speaker, I say that the success of the farming industry depends not only on the farmer himself and his suppliers but also on those at the various marketing steps. Then, we should appeal to the goodwill of everyone directly related to the problem of foodstuffs marketing.

I fully agree with the hon. member who a little while ago has expressed the view that our producers do want to produce. There is no doubt, about that and this is not really a matter of production. We are sure that there is no problem at the production level. It is rather the marketing and the distribution aspects that cause some difficulties and I think that the mechanism capable of putting some order into farm production is precisely the marketing boards system.

● (2330)

[*English*]

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, this is a really strange world. Every one of my colleagues who has risen in the House tonight has said that he was pleased to take part in this debate which is dealing with a very serious crisis. This crisis is affecting not only Canadians but people throughout the world. I suppose that farmers will learn something from this debate, if no one else does.

I suppose that the farmers have learned something from the many acts that have been committed in Canada recently, acts which other groups of people have committed to gain the attention of parliament. I suppose that farmers have felt that by orchestrating a slaughter or a massacre—as some of my colleagues have termed it—they could gain the attention of parliament. So, finally, they have gained attention, but it is the attention of the government they have gained, not that of parliament. There were all kinds of people in parliament in the last week or so who have brought to the attention of the government the fact that there is a serious crisis in the lumber industry, and in the food industry, but it took a token act of that nature to get this matter debated in the House.

I am a practical man and I wonder what happened to the romance of being a western rancher that people in the east of Canada, and people in other countries, have dreamt about. I will not speak about the causes of this crisis in which we find ourselves. The purpose of this debate should have been to find a solution—the cause is not important now that we have gone this far. Farmers have lost confidence, they are helpless, and this is why they are massacring calves.

The Minister of Agriculture (Mr. Whelan) has not offered any solution tonight. He could not complete his speech, and I was tempted to rise and plead with Mr. Speaker to please extend the minister's time so that he would come up with some solution. However, the rule did not permit the minister more time to complete his remarks. Perhaps it is for that reason that he could not give us a solution to the problem. He also is a practical man, and I half expected him to say that perhaps we should invent a birth control pill for cows.

An hon. Member: Or abortion.

Mr. Oberle: Yes, or something like that.

The causes of all this are the anti-inflation policy in the United States, the policy in Canada to stabilize the grain industry, and certainly the forecasting by the people responsible for that work. The minister said in his speech that there was a global over-supply of beef. If we speak about the basic principles of economics, there is not a sufficient demand for beef in the world.

Several of my colleagues have said the same thing, that there is an over supply and an under-demand for beef. My God, there has never been a time in the history of this world when there was a greater demand for food, including beef. However, there is no demand for beef with the price tag that we put on it. Not only is there not enough demand within Canada for beef at that price, because there are some people in our society who cannot afford that price tag, but there is certainly a shortage of people in this world who can afford the price that we have put on our agricultural products, not only we in Canada but other major agricultural producing countries as well.

I am sorry that I have to say this here, but I cannot help but put myself in the position of a young, growing child in Bangladesh. It is not very hard for me to do that because I have been in such a position, I have experienced it. I daresay that there are not very many people sitting here tonight who can say the same.

This young boy in Bangladesh sees death around him every day. He watches his immediate family die. He watches his mother leave the place where they eat every day without touching the food because she wants to reserve every last particle that is available for her children. I cannot help but fear that perhaps the small boy, in this modern world of communications today, by some strange accident will read some of the press reports that have appeared in our newspapers in Canada lately. One reporter described the scene of horror in Quebec in this way:

> The tiny black and white calf stumbled in a struggle to escape and its tiny hoofs slid in the blood soaking the scaffold hanging over a 30-foot-deep pit.
>
> Roughly hauled to its feet, it grew calm, or at least motionless, as its brown eyes stared at the hundreds of carcasses below.

I could go on reading this, but my time is limited. However, it is a beautiful story. I am looking at this small boy who, by sheer accident, reads something like this, and at the same time he might be looking at the eyes of a person dying of starvation. I wonder if anybody here has ever looked into the eyes of a dying person. I have. You can see the sign in the eyes of a dying person for the whole day before his death. It is a terrible story to tell here and I know it shocks people, but obviously it is the only way in which to gain the attention of people. There are people starving to death in the world every day. There are headlines in any of the newspapers at which you would like to look. One of the articles reads as follows:

> There is a severe famine throughout the country, and the most conservative estimates say 750,000 persons will likely die of starvation or diseases related to malnutrition from August through November this year.

We are living in a global community; we are talking about our immigration laws and about our responsibility to open up our borders to people from other countries, and yet we allow people in other countries to starve to death while we dump our foodstuffs.

Another thing that I have experienced, that the little boy in Bangladesh might also experience, is to have lived in a country where people were starving to death and, at the time, to have read that North America was dumping wheat into the ocean, dumping flour into the sea to maintain some kind of market stability. The press is full of stories about our rotten eggs. The global community which has access to radio and television will hear and read about those rotten eggs in Canada, about the calves we are slaughtering, and about the wheat we are dumping into the sea. I am very concerned about what this small boy might be thinking and I have an idea what it is, but I will not spatter the pages of *Hansard* with it. I will tell you one thing he will be thinking. If he ever gets the chance, and he likely never will, there will be an equalization of the score. However, we do not have to worry about that because he likely will never have the chance.

● (2340)

We have an oversupply of expensive beef and an overdemand for inexpensive beef. We must find a balance. We must consider the consequences of a great number of these small boys who say that some day they will have to equal the score. The consequences must eventually be a total collapse of our system, and even a global war as people in other countries watch us waste, destroy and commit criminal acts as we have done. I consider it to be almost a criminal act to discourage farmers and others from producing all the food they can. The solution must obviously be for them to produce all they can.

We cannot pass laws to restrict Canadian farmers from producing the maximum. We must look at who has the responsibility of paying the bill. Certainly everyone is entitled to a profit. Everyone is entitled at least to break even. However, it has been amply demonstrated this evening that the farmer has not been breaking even. The marketer and the processor have not done too badly.

The farmer is entitled to a profit even though he is dealing in food that is hard to come by for consumers. He can be compared with the person who drives an ambulance. Because some poor guy is lying in the ditch bleeding to death it does not mean the ambulance driver should not receive any pay. He is entitled to make a living.

Mr. Benjamin: The good Samaritan did that.

Mr. Oberle: The farmers have been good Samaritans. They have played their role. There are more consumers in this country than farmers. The government should take the side of the farmer and equalize the responsibility. If it is fair for the farmer just to break even, it must be fair for the processor and the consumer just to break even. If it is fair just to break even, then anyone who receives a day's pay is responsible for the situation. If we look at it in that way, it is not hard to find a solution. We have to pay the farmer to keep these calves alive and feed them through the winter. We might even have to pay him to put them out to pasture next year and feed them next fall.

Mr. Benjamin: But he doesn't want us to interfere.

Mr. Oberle: What I am talking about obviously does not fit into the hon. member's philosophy. I do not think there is much common ground. I am saying we must allow the farmer to break even. It is a responsibility we must all face, whether we are electricians, storekeepers or whatever. Because it is a problem of society, it is something the government must face.

The government must make it possible for the farmer to make it through the winter. He should be given an advance for each calf born last spring or during the summer. He could be given an advance of $100 a head, interest free. This could be repaid after the eventual sale of the calf.

Mr. Benjamin: Like Saskatchewan did.

Mr. Oberle: Saskatchewan implemented something like that, as did Alberta and other provinces. The federal government must enter into partnership with the provinces. If that is what it takes to overcome this situation, that is what we have to do.

This debate should have been designed to find a solution. We should put a dollar figure on what is necessary. I am a small rancher and, therefore, probably one of the reasons for this problem. I am a gentleman farmer. I consider ranching to be a romantic game. I have never really had to work at it, and walk through those brown things scattered all over the field. I see my time is up, Madam Speaker.

Mr. Andrew Brewin (Greenwood): Madam Speaker, I do not often find myself making speeches at this hour of the night. However, I am glad to do so because this is an extremely important subject. I want to speak about an aspect I think is of very great importance. Although the resolution before us does not explicitly refer to the international crisis, that crisis exists. It is clearly related to what we are discussing here.

We are discussing the destruction of food in the context of the world food conference at Rome which starts next week. That destruction of food has implications not only for Canada but the world.

The situation that faces the world has been set out very clearly in the material prepared for the world food conference. I do not have time to go into it in detail, but it is estimated by experts that roughly 460 million people are in a state of chronic malnutrition, with all that that means for the energy, vitality, lives and even the mental development as well as the physical development of those people.

In addition to that chronic situation there is the problem of the starvation emergency that is facing the world. There are estimates by genuine experts, not scaremongers, that there is a prospect of between 25 and 75 million people dying of starvation within a very few months. Therefore, we face a human problem, a problem of human suffering.

In this context the destruction of food raises moral issues. I am not going to suggest we should point the finger at the producers because of the incidents here that precipitated this debate. I am quite sure the people involved would not have dreamed of doing what they did unless they felt obliged to call attention to the fact that the system we have is not providing them with the incentive or, indeed, the means to produce food in a needy world.

The Minister of Agriculture (Mr. Whelan) will be one of Canada's spokesmen at this conference in Rome. At least that is the last I heard. I do not know whether he has changed his mind. In any event, I hope he will be there. I will say something about his presence there later. What I want to say is that this conference will give Canada an opportunity for practical leadership. Canada will be looking to the minister and his Cabinet colleagues to give that practical leadership at the conference in Rome.

● (2350)

One of the things we must do is to maximize food production not only in Canada, not only in the west, but throughout the world. It is true that a major responsibility rests with the developing nations to increase their own production and look after their own needs. But international action is needed to make this possible. They need capital and other forms of assistance which it is possible for us to supply.

It is also my belief that fundamental changes in the marketing system are required, not only in Canada but in other countries. It must be recognized that the agricultural industry or, to make it more personal, the farmers, are entitled to stable prices. They are entitled to economic security to the same extent as anybody else in the community, perhaps more. For that purpose, in our view, national marketing boards and other marketing boards are required. But there is also need for international action which would stabilize world prices for both producers and consumers throughout the world.

One proposal which I hope the minister and his colleagues will be putting forward in Rome concerns the establishment of an effective world food price reserve, or world food price bank to provide the security which is required, and prevent the boom and bust cycle which is beneficial neither to consumers or producers. I believe we should work for fundamental social changes. They are imperative. Although we are speaking of crises there is one advantage about them—they give rise to times of decision. We are now at a stage when the world food crisis requires decisions to be made.

I shall not attempt to run over all the suggestions which have been made to deal with the situation. What is needed is a comprehensive and flexible world food policy, making provision not only for wider research but a co-ordinated national stock policy embodied in international undertakings.

I shall conclude a few minutes before the allotted time but, before I do so, I would say this to the Minister of Agriculture: I hope he will approach the conference in Rome in a slightly different spirit from that in which he approached this debate. I hope he will listen with humility to what is said by those who represent other nations at that conference.

In particular, I believe we have a lot to learn from the so-called Third World, whose people are most endangered by the food prices we are discussing. I hope the minister will come forward at that conference with specific, practical proposals, which will call for continuity after the conference has ended so that the conference will not be solely an occasion for rhetoric, procedural debate and a few pious resolutions, but the beginning of co-ordinated, international action to deal with the gravest problems facing the planet, that is, the task of providing food for all the men, women and children in the world.

Mr. Frank Maine (Wellington): Madam Speaker, the hon. member for Temiscamingue (Mr. Caouette) talked tonight about confusion. There is a lot of confusion in this House tonight. The hon. member for Red Deer (Mr. Towers) talked about the beef industry in general. The hon. member for Prince George-Peace River (Mr. Oberle), when he wasn't waffling about Bangladesh, also talked about the beef industry.

The problem is not the beef industry in Canada. The problem is the cow-calf operation. Let me illustrate this by giving some data. Slaughter cattle prices in Calgary have gone from $46.50 for A1, A2 steers in 1973 to $48.25 a hundredweight in 1974. That is an increase of $1.75 a hundredweight. The story is similar in the case of A3 and A4 steers. It is only in the case of commercial steers that

the price has gone down $1.50 from $40.50 a hundredweight in 1973 to $39 a hundredweight in 1974. The big decline in price relates specifically to cows. In the week ending October 19, 1973, D1 and D2 live cows were selling for $36.75, and in 1974 the price was $21.

It is recognized that cow-calf farmers are experiencing a problem and we must work positively and constructively to resolve it, and do so quickly.

The Ontario Federation of Agriculture has recommended to the Ontario government that a program be launched which would enable beef farmers to keep their herds intact, rather that force them to slaughter cattle because they cannot afford to feed them. This program would involve payments of $100 for each culled cow slaughtered for sale, and $25 for each calf introduced into or maintained in a herd. In the short term, this would provide cash to the farmer to improve his cash flow problem. In the long term, this would provide safeguards against a possible future situation in which we might be faced with a shortage of beef, perhaps as soon as 1976. Such a shortage may develop if farmers continue to slaughter feeder calves.

In order to maintain herds in the best condition, and still allow for some thinning out in order to save feed costs, it is suggested that a certain percentage of a herd, say 20 per cent of the poorest quality cattle, be slaughtered. These could be sold as cutters and canners, and the breeding stock would not be depleted as is now the case.

This would improve the quality of the herds and contribute to improving agricultural efficiency, as well as answer the criticism made by the hon. member for Okanagan Boundary (Mr. Whittaker) in his comments on the suggestions put forward by the hon. member from Kamloops-Cariboo (Mr. Marchand). The farmer would get $100 per animal, not $38 as stated by the hon. member for Okanagan Boundary.

It is extremely important that the provinces act with the federal government to work out, as soon as possible, a uniform policy for the whole country. This is not being done at present. Alberta and Saskatchewan have moved to improve the cash flow to farmers hit by low cow prices by paying cash advances of $75 per head. Manitoba has made cash advances available to farmers who wish to feed their own stocker calves. Ontario has provided low interest loans to producers of feeder calves. Quebec has made outright grants to help farmers winter their animals. New Brunswick will pay farmers up to $5,000 over the next three years to help them increase the size of their herds. All this has been done without consulting the federal Minister of Agriculture (Mr. Whelan).

It is important that there be a truly national plan to ensure that the beef industry survives and that the consumer gets top quality meat at a fair price. These two things are more closely interrelated than most people realize, because if the beef industry falters in the face of unrealistically low prices the result will be abnormally high prices for consumers in the future.

Mr. Knowles (Winnipeg North Centre): Twelve o'clock.

The Acting Speaker (Mrs. Morin): Order, please. It being twelve o'clock midnight, pursuant to order made earlier today the debate is deemed to have been concluded, and I therefore declare the motion carried.

● (2400)

[Translation]

Mr. Speaker: Pursuant to Standing Order 2 (1), this House now stands adjourned until tomorrow Friday at 11 a.m.

At twelve midnight, the House adjourned, without question put, pursuant to Special Order passed earlier today.

HOUSE OF COMMONS

Friday, November 1, 1974

The House met at 11 a.m.

[*English*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed the following bills to which the concurrence of this House is desired: Bill S-4, an act to amend the Customs Act; Bill S-13, an act respecting the boundary between the provinces of Alberta and British Columbia.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. NYSTROM—REFERENCE TO STATEMENT MADE OUTSIDE THE HOUSE BY MINISTER OF AGRICULTURE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise on a question of privilege. It arises out of a statement which the Minister of Agriculture (Mr. Whelan) reportedly made outside the House last evening. During a special debate yesterday, the minister had an opportunity to make an announcement on what he would do regarding beef prices in this country. However, no announcement of new policy was made by the minister in the House last evening.

Earlier in the week the minister promised that such an announcement would be made sometime this week. Last evening I drew this to his attention, as did other members, but we received no response. The minister then went outside this House and reportedly made to the press a specific commitment on two aspects of the motion before the House. I believe it is an infringement upon the rights and privileges of all members of this House for any minister of the Crown to refuse to announce a new policy in the House and then speak to the press outside, while the debate is in progress, and announce two new aspects of a policy which he should have announced in the House.

Some hon. Members: Hear, hear!

Mr. Nystrom: I think it is an infringement on the rights and privileges of all members of the House, regardless of which side they may sit. If Your Honour finds that I have a question of privilege, I will move that the Minister of Agriculture be asked to make a statement in the House this morning.

Some hon. Members: Hear, hear!

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in replying to the so-called question of privilege, I suggest that the hon. member either get the tapes or talk to the members of the press about what I said. I made myself very clear.

Last night my time ran out after 20 minutes. I understood I could not re-enter the debate. I could not say anything more in the House because the Speaker had called me to order. At that stage I had not realized my time was up. However, I announced no new policies. I asked farmers to have confidence in the policies which have always taken care of those in the beef industry. With regard to the inquiry, I said we were waiting for the results of the Food Prices Review Board report, but we were prepared to go ahead with an inquiry if that report did not accomplish the things we thought it should.

● (1110)

Mr. Speaker: The hon. member for Yorkton-Melville was good enough to give the Chair notice of his intention to raise this question of privilege and I thought I should hear from him about the specific nature of the allegation and the remarks made by the Minister of Agriculture. I have heard from the hon. member for Yorkton-Melville and briefly from the minister. There are numerous precedents which indicate most clearly, that statements made outside the House of Commons do not constitute a breach of privilege. Furthermore, hon. members may be critical of statements made by ministers or others outside the House, and they may legitimately be the subject of debate or questioning but they do not constitute a question of privilege. The citations on both counts are numerous and I do not propose to take the time of the House by reading them. I therefore rule that a prima facie case of a question of privilege does not exist.

Mr. Lawrence: On a separate question of privilege, Mr. Speaker, even though it relates to the same matter, is there any way in which members on this side of the House can convince you that there was a very definite new statement of government policy made outside this chamber last night? I have the tapes—

Some hon. Members: Oh, oh!

Mr. Lawrence: —if you require them—if you require the actual words the minister used.

Mr. Speaker: Order. I do not think I can make my disposition of this matter any clearer than I have.

EXTERNAL AFFAIRS

LEADERSHIP OF DELEGATION TO WORLD FOOD CONFERENCE IN ROME—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Robert Kaplan (York Centre): Mr. Speaker, in accordance with the provisions of rule 43, and seconded by the hon. member for Egmont, and in a case of urgent and pressing necessity, I seek consent to move:

That it is the sense of this House, being conscious of the great importance of the forthcoming world food conference in Rome to millions of people who are suffering from malnutrition, hunger and the threat of death by starvation, that the Canadian delegation led by the Secretary of State for External Affairs and the Minister of Agriculture will be able to give leadership to meet the urgent challenge to humanity which faces the conference.

I understand, after some discussion among members, that if the motion is permitted it will be accepted without debate.

Some hon. Members: What motion?

Mr. Diefenbaker: That will be a new experience.

Mr. Speaker: The House has heard the motion which is proposed pursuant to Standing Order 43. It cannot be debated without unanimous consent.

Mr. Woolliams: What is the motion? Nobody heard any motion.

Mr. Speaker: I am sorry. I thought everyone heard the motion as it was read. The motion is:

That it is the sense of this House, being conscious of the great importance of the forthcoming world food conference in Rome to millions of people who are suffering from malnutrition hunger and the threat of death by starvation, that the Canadian delegation led by the Secretary of State for External Affairs and the Minister of Agriculture will be able to give leadership to meet the urgent challenge to humanity which faces the conference.

Some hon. Members: Oh, no.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

Some hon. Members: Oh, oh!

* * *

FEDERAL-PROVINCIAL RELATIONS

TABLING OF PRIME MINISTER'S INVITATION TO PROVINCIAL PREMIERS TO ATTEND CONFERENCE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, a few days ago I was asked about correspondence preparatory to the meeting which took place the day before yesterday. I was asked by the hon. member for Northumberland-Durham whether I would table the correspondence. Under Standing Order 41(2) I should like to table copies of the Telex that I sent to the premiers inviting them to attend the meeting on Wednesday. In essence, all their answers accepted the invitation. I have not had clearance from all of them as of yet to table their answers, but I am sure it will be forthcoming if the hon. member still desires it. For today, I should like to table a copy of my Telex.

* * *

HOUSING

STATEMENT ON LEGISLATION CONCERNING $500 GRANT

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I should like to make a statement concerning forthcoming legislation. I should like to confirm the government's intention to introduce in the House very soon legislation which would authorize, for a one-year period, the payment of a $500 grant to people buying a new home for the first time, provided the home is moderately priced. For this purpose a home may be defined as a principal residence of permanent type which conforms to local standards or by-laws.

This measure was a commitment made by the government during the election campaign in order to make it easier for families to purchase their first home. Rather than wait until legislation can pass through the House, I wish to make this benefit available to families immediately and to remove any uncertainty on the part of the home buyer or the housing industry.

Mr. Speaker, I would like to advise the House and the people of Canada that when this legislation is presented to hon. members for their approval, it will stipulate that the grants will be payable to people who fulfil the required conditions and who purchase and occupy their new homes on or after this day, November 1, 1974, until November 1, 1975. In other words, the legislation, if approved, would be retroactive and would benefit people who bought and occupied their new house now, without waiting any longer.

The conditions under which the grants may be paid will be spelled out in the legislation but I would like today to review our intention in general terms.

The homeowner grant would be payable to people who are buying a new home for the first time, within price limits which vary by market area. They will be those used by CMHC in setting the upper limit of loans it will insure under the National Housing Act. In Regina, for instance, the grant would be payable to someone buying a house costing $31,580. In Toronto, where costs are substantially higher, the maximum price eligible for a grant would be $44,915.

The legislation will provide that the housing must be new, not previously occupied and must be the owner's principal residence. At such time as the legislation may be approved, the owner who has bought and occupied his new home may apply to the local Central Mortgage and Housing Corporation office which would process his application and, if it is acceptable, send him a cheque.

This grant will be a selective measure, Mr. Speaker, directed to those who need help. As the Prime Minister (Mr. Trudeau) pointed out in announcing the government's intention:

It will go directly to the home buyer—to the consumer. It will not be available to housing speculators or to the wealthy purchasing expen-

sive homes. It will be available to first time buyers of moderately priced homes.

I hope, Mr. Speaker, that this legislation will find favour among hon. members when it is presented as a timely help for a very large number of Canadian families. It is an important initiative in the broad range of federal housing measures and one of a number of proposals which I shall be presenting to the House during this session of parliament.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should first of all like to thank the minister for sending me a copy of his statement. I received it about a quarter to eleven and I would have been concerned if there had been very much in it, particularly with a housing crisis of the proportion that we have today.

At the outset I might say that I am very happy to get some confirmation at least on this matter, because when the House first convened for this parliament I asked the Prime Minister (Mr. Trudeau) about this promise and he sort of threw up his hands and gave one of those evasive answers to the effect that within the next four or five years some legislation would be introduced.

● (1120)

I think we must take a look at this program. First of all it provides $500 to anyone who purchases a new home at a moderate price. Those are important words when you analyse the degree of inflation in this country and in the United States today. As one of my friends pointed out a few minutes ago, the present rate of inflation is about 10 per cent so that the price of a house in the category set out in the second paragraph of the statement would increase from between about $4,000 to $5,000. Keeping that in mind, this is really not going to do very much to assist these people.

I should like to ask the minister one question through you, Mr. Speaker, about this most unusual procedure. If this government is as honest, as credible and has the degree of integrity it attempts to hold out why did the minister not present a bill today for first reading? In this way we would not only know that the $500 is to be provided for by legislation, but we would then have the opportunity to see the law and the regulations regarding the manner in which this money would be paid.

Mr. Stanfield: He is not ready.

Mr. Woolliams: Of course, the reason we have received a statement rather than a bill is that we have flushed this government out. During the election campaign it made about $2.5 billion worth of promises across this nation. I suggest the only person who really has not had a heart attack over this is probably the Minister of Finance (Mr. Turner), who is too busy trying to wiggle out of these promises.

Why was a bill not presented in order that we might know the terms and conditions of this proposal? I suggest today we have a very serious housing crisis. This matter is so important that I should like to spend a few minutes on it. It is interesting to note that on October 2, I posed a question concerning the drop in housing starts of 24.3 per cent over last year. In fact, housing starts for September were down 35 per cent. When I brought these figures to the attention of the new minister he said, as reported in *Hansard* for that date at page 28:

—I suggest there is not a housing crisis in this country.

When the minister held a press conference, and I draw this to his attention, he said, and I quote from the Vancouver *Province* of October 21:

Danson says he's "about to present new ideas to cabinet" to help solve the housing mess.

That statement was made about the time he was denying in the House that there was any mess or crisis. I do not know whether anyone can take him seriously when, at one time he holds a press conference at which he states there is no mess, while at another time he admits in the House that there is. Perhaps the minister has gone to his colleague the Minister of Finance with his cap in his hand. In any event, he is always talking about AHOP under which $467 million has been spent. I understand there is about $47 million to $50 million left under that program, so it is about to die when there is an actual housing crisis in this country.

Unless this government comes to grips with ever increasing inflation, high interest rates and the fact that the average man, even with both he and his wife working, cannot afford the down payment on a new house, this program which is really a government subsidy program, will go bad. If it merely provides the $500 to the developer or the builder and not to the purchaser, and I am concerned about that, it might be known as the "rotten egg" housing program. I suggest it will be about as effective if the grant goes to the developer or the builder and not the purchaser, and that is our fear.

It would have been far more effective had this government repealed the 11 per cent sales tax on building material, and that would be far more realistic.

Some hon. Members: Hear, hear!

Mr. Woolliams: It is my hope that the minister will bring in legislation immediately so that we can see whether it includes safeguards of such a nature that the $500 will go to the purchaser and not the builder or developer.

We found out by examining the estimates that nothing was really being done about land banking in this country. No money has been spent on the new demonstration program, and I suggest if there had been this would not have built even one new house. In any event, if the money is being spent that program is costing the country $55,000 a day without one new house for anyone and without any real effect in curbing the housing crisis. My final word on this matter is that the minister should go back to his colleagues for some concrete policy that will curb inflation, and in that way he will be doing something about the housing crisis in this nation which he denies exists.

Some hon. Members: Hear, hear!

Mr. John Gilbert (Broadview): Mr. Speaker, I am appalled, shocked, disgusted and dismayed at the statement of the Minister of State for Urban Affairs (Mr. Danson) in charge of housing. He is beginning to sound more and more like the Minister of Agriculture—all huff and all puff. The $500 grant to first-time purchasers of

new homes will not help solve the housing crisis. It is very much like giving a peanut to a starving elephant. What we need to solve the problem is action to increase the supply of houses, action with regard to decreasing the interest rate and action with regard to the diffusion of moneys to increase the land banking and the servicing of lots across the country.

With regard to increasing the supply of houses we have had an announcement that there will be a 25 per cent drop in respect of housing starts this year. With regard to interest rates no action whatsoever has been taken to decrease the interest rates. May I remind you, Mr. Speaker, that if a person were to buy a home with a $35,000 mortgage at 11 per cent it would take him 25 years to pay if off at a rate of $350 a month. After 25 years, he would have paid $100,000. This action does nothing to help the serious housing crisis across the country. We need action. Members of the New Democratic Party have mentioned that there should be a revolving fund with regard to land banking, and there should be a massive infusion of money for the servicing of land across the country so that more housing may be available.

This is a miserable offer to solve the housing crisis across the country. When one looks at the restrictions related to the $500 grant, one finds that it must be a new house and that the person involved must be a first-time purchaser. Then, there are the limits with regard to price. The limit the minister mentioned in respect of Regina would be $31,580 and the limit in respect of Toronto would be $44,915. The average price of a house in Toronto is $55,000. I would invite the minister to take me to any place in Toronto and show me a new house that could be purchased for a price of $44,000 or less.

This is legislation by announcement. If the minister wanted to bring forward this meagre measure, why could he not have translated it into legislation immediately and have it passed. He does not want to do it. He wants to spin it out and be a part of this slow progress for which the Liberal government is so well noted. As I said, this minister is not a minister of housing but of hoaxing. This is a cruel hoax on the purchasers of homes in Canada. I would remind the minister that the philosophy announced by his predecessor is that every Canadian is entitled to a home at a reasonable cost. This minister is not implementing that philosophy. It is about time he stopped this hoax and took the initiative with regard to this serious problem.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have heard and read the statement made by the Minister of State for Urban Affairs (Mr. Danson) in which he says that only first-time buyers of new moderately priced homes can benefit from the $500 grant for a moderately priced home of $31,850 or a $44,915 home in Toronto.

Mr. Speaker, I sincerely believe that this statement and the legislation which we eventually will have before us is a sheer mockery at the population. Indeed, of the ordinary workers who constitute the very broad majority of our population and who earn $8,000, $9,000 or $10,000 a year, who are those who can afford a $44,000 or a $31,000 house? It is true that it is somewhat impossible to buy anything cheaper these days, but that does not mean that it is a moderate price; it is rather a prohibitive one. That is the problem. And we will not assist home ownership with a legislation providing for a $500 grant for people buying a new home, when the sales tax on building materials stays at 11 per cent. That means about $3,000 on any house within the categories mentioned by the government.

There is another point. When a Canadian citizen buys a home and seeks financing with banks or Central Mortgage and Housing Corporation to whom he has to pay a 12, 13 or 15 per cent interest rate, instead of the 7 or 8 per cent interest rate of yesteryear, Mr. Speaker, what is the $500 good for? There will not be, I believe, 2,000 people across Canada who will avail themselves of this legislation. That means that the government is still laughing at the worker, at the Canadian population. And if they were logical in their dealings with people, they would first suppress the 11 per cent sales tax on building materials and bring down the interest rates to 5 per cent, instead of demanding 15 or 18 per cent as the case is presently.

* * *

● (1130)

[*English*]

IMMIGRATION

TABLING OF PAMPHLET CONCERNING EMPLOYMENT OF FOREIGN WORKERS

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in view of the interest expressed on the subject of foreign workers and pursuant to Standing Order 41 (2) I am tabling a copy printed in both official languages of a pamphlet entitled "What you need to know about employing foreign workers".

* * *

FARM CREDIT ACT

MEASURE TO INCREASE CAPITAL OF CORPORATION AND PRESCRIBE REGULATIONS FOR LOANS

Hon. E. F. Whelan (Minister of Agriculture) moved for leave to introduce Bill C-34, entitled an act to amend the Farm Credit Act.

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

Mr. Murta: Mr. Speaker, I rise on a point of order at this time because I have been sitting here waiting and hoping that we would hear some kind of statement from the Secretary of State for External Affairs on at least the broad position of the government with regard to the food conference which will be taking place in Rome. It appears that the government is quiet on this subject, but I think that it has an obligation to the people of Canada, and certainly to the House of Commons, to at least present us with a broad statement of intentions or a statement on what Canada's position will be at the conference in Rome. I feel that somewhere, sometime this government must start giving some leadership.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

BEEF—REQUEST FOR INQUIRY INTO PRODUCTION AND SALE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, after listening to the Minister of State for Urban Affairs I have decided that the government is trying to change the old adage of a chicken in every pot into a mess in every department.

I should like to ask the Minister of Agriculture—and this of course has nothing to do with messes but with a very serious state of affairs—whether, in the light of the report of the Food Prices Review Board released this morning and the debate that took place last night, the minister will not recommend to his colleagues a full scale inquiry into the beef industry in order to alleviate the plight of both the producers and the consumers.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have just received the report of the Food Prices Review Board and if the findings in the report are that the situation in the beef industry is not good enough, I will recommend a full fledged inquiry.

Mr. Stanfield: Do I take it that the minister is insufficiently concerned about the conditions that he sees in the industry, at the prices that continue to remain high at the retail level despite the reduced prices received by the farmers, and insufficiently concerned about the dramatic events that have taken place to demonstrate the anguish of the farmers, to believe that an investigation is necessary to reassure the country?

Mr. Whelan: I do not agree with anything in the preamble of the hon. gentleman's question. I want to make sure that I understand what is in the report of the Food Prices Review Board, and we have properly reviewed it in our own minds before recommending a thorough investigation. I have made it clear that I am in favour of a thorough review of the feeding programs and everything that is involved in the total production of beef in this nation. If I feel that it is not in the report of the Food Prices Review Board, then we will certainly institute an investigation because, as I have stated many times, I am concerned about all the things which the hon. gentleman talks about.

BEEF—REQUEST FOR INVESTIGATION IF FOOD PRICES REVIEW BOARD REPORT IS INADEQUATE

Mr. James A. McGrath (St. John's East): I have a supplementary question for the right hon. Prime Minister. In view of the inconclusive nature of the findings of the Food Prices Review Board in their beef report released today and in view of the growing disparity between prices paid to producers and prices which we have to pay—my question is prompted by the growing lack of confidence of the people of Canada in the present Minister of Agriculture—

Some hon. Members: Oh, oh.

An hon. Member: Absolute nonsense.

Mr. McGrath: —I ask the Prime Minister if he will give consideration to having an inquiry into the whole mess in the beef industry in Canada conducted under the aegis of the Minister of Consumer and Corporate Affairs in order to ensure that there will be no attempt by the Minister of Agriculture to hide the facts.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not accept in any way the innuendos in the question. I would say that this report will be studied by the government and the minister and, as the Minister of Agriculture indicated, if we do not believe its findings are broad enough covering the area of concern, we will consider the matter of instituting an inquiry.

Mr. Whelan: I rise on a point of order, Mr. Speaker.The hon. member who just asked a question has made all kinds of insinuations, trying to assassinate by innuendo. I object to it. Again, he has said that I am trying to hide the facts. This minister, this member of parliament, this man has never been known in his public career as one who hides facts, and I want this known.

Some hon. Members: Hear, hear.

Mr. McGrath: On the same point of order, Mr. Speaker. The Minister of Agriculture—

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

BEEF—SUGGESTION MINISTER RESTATE COMMITMENT MADE OUTSIDE HOUSE THAT PRODUCERS WOULD NOT LOSE MONEY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the fact that he said outside the House to reporters yesterday that he would guarantee that any cow-calf operator producing calves during the present season would not lose money on that production, which in fact means he was agreeing with the proposal I put forward on behalf of my party in the debate last night, to which he refused to reply in the House, I should like to ask the minister if he will give the same commitment to the House and thus publicly commit the government to the course of action that he outlined to a reporter outside the House.

● (1140)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this Minister of Agriculture has continually said—

Some hon. Members: Which one?

Mr. Whelan: —he has continually said, and it is there if the hon. member wants to check the record, and this government has continually done things to guarantee farmers a decent return for their production—

Some hon. Members: Oh, oh!

Mr. Whelan: Put my remarks in context; do not pick out little bits and pieces of what I said. Put them in their

context. I have said that the stabilization legislation which will be before this House will make sure that farmers do not lose money on their production. This is what I said. Do not pick little things out of context, but use everything I said. Do not use little bits, because the statement was quite lengthy.

BEEF—REQUEST FOR ASSURANCE NO REDUCTION IN PRODUCTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my supplementary question refers directly to what the minister said, and it is on tape and on record. He gave a specific guarantee for specific producers during the coming months. I take it that the minister, in his answer, was reneging on that commitment, unless he can clarify it later on.

My second question concerns a statement made by a staff member of the Food Prices Review Board, Dr. Burton, at a press conference this morning. He said, in reply to a question about the prices paid to the producer of beef, that the only way, in his judgment, that they can be improved, that is, for the farmer to get a better return, would be through a cut-back in production, which has horrendous implications both for consumers of Canada and starving people abroad. I ask the Minister of Agriculture if his position and the government's position is that that is the way to get a fair price for the farmer? Does the minister agree that his policy will not involve a cut-back in beef production?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think we all realize that we must have peak production. I agree with one of the things the hon. member said, which may surprise him. I agree with him when he talks about the need for more production around the world. The biggest problem around the world concerns the world food distribution system. I challenge anyone to say that this minister has ever told farmers not to produce. Anyone who says that this minister said we should not produce as much as we can is wrong. On the contrary, I said we must produce enough to meet demand.

Some hon. Members: Oh, oh!

Mr. Broadbent: Mr. Speaker, I do not think we should permit the minister to get away consistently with a complete refusal to answer the question.

Some hon. Members: Hear, hear!

Mr. Broadbent: My question to the minister is this: Will he assure this House that the government will not embark on the policy of cutting back the production of beef as a means of assuring a fair price for its production to the farmer?

Mr. Whelan: Mr. Speaker, we are asking for a total review of the whole beef industry, all aspects of it, to see how we can do the most good for the sake of utmost production.

An hon. Member: Answer the question.

[Mr. Whelan.]

Mr. Whelan: That will be the policy this government will follow. There is a proper way to distribute meat products around the world. We should find out what it is and make sure that in no way is meat being destroyed. As I said at the beginning, I am a farmer who produces crops and if there is one thing a farmer deplores more than anyone else, it is to see something which he has planted destroyed. We do not like to see anything destroyed. I suggest that if the hon. member could learn a little about planting and harvesting, he would realize some of the problems confronting our producers in agriculture. He would have a better understanding of our problems.

An hon. Member: Come on Gene!

BEEF—REQUEST FOR CLARIFICATION OF MINISTER'S STATEMENT OUTSIDE HOUSE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, may I ask a supplementary question. I really think it is about time we tied down this wild-tongued minister.

Some hon. Members: Oh, oh!

Mr. Lawrence: It is like trying to contain a bowl of fat in a fishnet.

Some hon. Members: Oh, oh!

Mr. Lawrence: The minister last night, after having had full opportunity of saying what he liked in the House, went out and had a press conference with a CBC radio reporter. My question—

Mr. Speaker: Order, please. We have already been over that ground on a question of privilege. This is a supplementary question and at this point I would be grateful if the hon. member would ask it.

Mr. Lawrence: Mr. Speaker, my supplementary question to the minister is this: Perhaps the minister would kindly explain his words. If they are taken out of context, maybe he can explain them to us right now. After he had harangued the CBC radio reporter, the reporter said, and I quote:

> You are giving them your word they won't lose money if they hang on.

The minister very clearly replied:

> That's right.

Surely we should have some explanation from the minister of the budget requirement with regard to that remark. What program has he in mind; or, if those words are taken out of context, let us hear him give the complete statement to us right now.

Some hon. Members: Hear, hear!

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as I said, this minister lives by his word. And what I said the government means. I also talked in that conversation about our stabilization legislation, which will be presented before this House, and about hanging on. I said that by the time producers are ready to sell their

product they will be able to get a decent price for beef, if the legislation could be passed by that time and the program initiated. That program would mesh with other programs. I took it for granted that the program would work with other programs the provinces have implemented, some of which are very good. All these things would be reflected in the price producers will receive. The prices of some products at present are not as bad as some would have you believe. The price of top quality beef products is not that bad. There are feed programs in Canada under which you can feed cattle in feed lots for 40 cents, while in other lots it costs 60 cents a pound. So, how are you to resolve a problem like that? If you want facts, you have to put all these factors together. That is what we want to do and what we are going to do.

Mr. Lawrence: Mr. Speaker, my final supplementary is this. The whole conversation previously referred to is on tape and concerns, I suggest, the potential losses this winter to the producer. Now I ask the minister, and he has not told me, what program has he in mind this winter with respect to these livestock producers.

Mr. Speaker: Order, please. I feel compelled to say that, desirable as the practice of asking supplementary questions may be, I cannot look at repetitions of questions as supplementary questions. The question has been asked not only by the hon. member who was on his feet, but by other hon. members, and the minister has had ample opportunity to make whatever response he is going to make.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED ADJUSTMENT IN ALLOCATION OF FUNDS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to put a question to the minister in charge of LIP projects. It is a quite important one and I would even wish to raise it as a question of privilege, giving as an example my own riding.

Last year—and do note that the same thing happens in others, in the constituencies of opposition members in particular—the department granted $200,000 in the Témiscamingue riding for LIP projects. That amount was not enough for the projects we wanted to implement. I appealed to the minister who told me that funds were short, that they were waiting until the end of the season to see if there was any money left anywhere.

Now it happened that $72,000 were not spent in the Témiscamingue riding. They were allocated elsewhere while projects were refused in mine on grounds of lack of funds. This year, Mr. Speaker, about $400,000 were earmarked for the Témiscamingue riding.

I would therefore ask the minister to add to the $400,000 allotted for this year the $72,000 of last year which were refused to us though we had projects under consideration. It would represent a total amount of $472,000.00. Such a case applies also to other constituencies.

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I regret that I shall have to examine the comments of the hon. member which are intricate and complex. I should like to consider them and perhaps take notice of the question, then respond either directly or in the House at the earliest opportunity.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary.

Indeed, a civil servant of the department advised me of it yesterday saying that the amount had been spent elsewhere. Can the minister tell us whether it might be possible to take steps to make sure that the ridings are not deprived of the funds they were allotted last year?

● (1150)

[*English*]

Mr. Andras: Mr. Speaker, I am not in any position to indicate any additional funds for local initiatives for this winter nor until the final tally as it were of all applications versus all constituency allocations are completed and examined, to indicate whether there will be any adjustment of funds as between different regions or different constituencies.

* * *

EXTERNAL AFFAIRS

WORLD FOOD CONFERENCE IN ROME—REQUEST FOR STATEMENT OF CANADIAN POSITION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the fact that members on this side of the House have been asking the government to state Canada's position at the World Food Conference in Rome ever since parliament met in September, and in view of the fact the Canadian delegation will be leaving this weekend, will the minister take this final opportunity to tell the House and the public what proposals Canada will be presenting to the World Food Conference or is it the minister's intention in the absence of any such statement to try to work out a position with his colleague, the Minister of Agriculture, while en route to Rome?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I can assure the hon. member that the answer to the last part of the question is no. The Canadian position has been carefully worked out. I have already indicated in general terms in my participation in the debate on the Address in Reply some of the major questions that will be dealt with at the food conference. It is my view that it will be in the interests of the success of the conference, and in the interests of solving the problem of world hunger, for the Canadian position to be stated in detail at the conference. That would have a much more efficacious result. I considered the possibility of making a statement in general terms on this point, but I thought it would be unwise and the best course would be to reveal our position at the conference.

Oral Questions

WORLD FOOD CONFERENCE IN ROME—SUGGESTION SURPLUS BEEF BE MADE AVAILABLE TO THOSE WHO NEED IT

Miss Flora MacDonald (Kingston and the Islands): Will the minister at least take the opportunity of discussing with his colleague, the Minister of Agriculture, and the meat packing firms prior to his departure whether our surplus beef can be sent to those who need it most?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, no doubt the question of food aid is a very important aspect of the conference. The conference secretariat has put before the world community a request for the provision of food aid over the next three years. Canada will be studying in detail its position of food aid for the next three years. It will certainly be possible, where appropriate, to provide Canadian source food commodities. Each commodity will have to be considered on its merits in relation to distribution systems, transportation and the needs in the developing countries. The hon. member can be assured her suggestion will be considered.

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BROADCASTING

CABLEVISION—REQUEST FOR INVESTIGATION OF CAUSE FOR DELAY OF APPLICATIONS IN ST. JOHN'S AREA

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications. Has the minister received a request from Canada's only living Father of Confederation to investigate the ownership of the shares of the Newfoundland Broadcasting Company and specifically the relationship between the owners of CJON and the opposition and delays to cable applications in the St. John's area?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I believe CRTC will assume that task when the cable company applies for a permit.

[*Englishs*]

Mr. Nowlan: In view of the nature of this allegation by the only living Father of Confederation, will the minister check with the chairman of the CRTC and report back to this House whether there is any impropriety involved in the ownership of the shares of the Newfoundland Broadcasting Corporation and whether the owners of that corporation have in any way influenced the processing of cable applications in the St. John's area?

[*Translation*]

Mr. Pelletier (Hochelaga): Mr. Speaker, I can only say again that the decision, if one has to be made—and I am not aware of the serious mess of the allegations that have been made—would be that of the CRTC president, with whom I can of course discuss the matter, because it would be up to him to decide.

[Mr. MacEachen.]

[*English*]

FISHERIES

SWORDFISH—POSSIBILITY OF RE-OPENING FISHERY IN VIEW OF ACTION BY UNITED STATES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of State (Fisheries). It relates to the terrible conditions which exist at the present time in the Atlantic Coast fishing industry. Present indications are that haddock, cod and halibut are heavily over-fished and landings are very low. Deep sea lobstering is not profitable because of the destruction of gear by foreign trawlers. However, swordfish on the Atlantic coast are abundant and are being harvested by other countries, especially the United States which has opened its markets to swordfish in Maine, New Hampshire, Massachusetts, Rhode Island and New York. Will the minister visit Washington and discuss with his counterpart the possibility of re-establishing the Canadian swordfishing industry which has been closed since February 1970?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, the hon. member's suggestion is welcome. If it is felt that my participation or travelling to Washington would be a positive contribution, I would be happy to do so. However, I have to remind the hon. member that the problem is not with my counterpart, but the U.S. food and drug administration. Exports of swordfish to the United States containing levels of mercury which they consider unacceptable constitutes the real barrier. There are states which have on their own allowed fishing for swordfish by their residents. However, we are always interested in a review of this area. I have already discussed the matter with my colleague, the Minister of National Health and Welfare, in relation to Canada's position and a possible appeal to the American authorities.

SWORDFISH—DISCUSSIONS WITH UNITED STATES ON POSSIBILITY OF RE-OPENING FISHERY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a supplementary question to the Secretary of State for External Affairs. As this is a matter that is vitally important to Nova Scotia and many of his constituents, has the minister taken any steps to interview the food and drug directorate of the United States to see if the Canadian swordfishing industry may be reopened?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker. I have not taken any direct action myself, but I will take into consideration the suggestion made by the hon. member.

* * *

AGRICULTURE

PRODUCTS CANADA COULD MAKE AVAILABLE TO WORLD FOOD BANK

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a question to the Minister of Agriculture who will be a member of the delegation attending the World Food Conference. We in this House

have not been able to secure any information excepting ephemeral and uncertain information concerning the stand of the Canadian delegation. Knowing the minister's capacity for detail, I wish to ask him what advice he has given or what stand he has taken concerning Canada's surpluses of food products that could be made available to the food bank. Also, what products are in surplus to such an extent that they could be used immediately or very shortly for the alleviation of starvation in all parts of the world today, it being one of the most serious problems facing mankind?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Secretary of State for External Affairs is the official spokesman for anything that is to be said before we go to Rome. He has already stated the government has gone into great detail trying to work out a program. We realize our responsibility in being part of the world food aid program. I am sure the right hon. member has read all the speeches I have made in the past two years—

Some hon. Members: Oh, oh!

Mr. Whelan: —about world food aid. Much to my amazement, a group of people who have done research have said that this Minister of Agriculture has made more constructive statements—

Some hon. Members: Oh, oh!

Mr. Whelan: —about what we can do, what we are doing and what can be done in the future about world food aid than any previous Canadian Minister of Agriculture. They appreciate the stand I have taken.

Some hon. Members: Hear, hear!

● (1200)

Mr. Diefenbaker: After listening to his speech, notable for its modesty, may I ask the minister, now, because he has all these things at his fingertips, as his speeches reveal—and I read all of them, sometimes for amusement but more often for information—where are the surpluses of Canadian products which he is advising the other members of the delegation will be available to assist countries which may require them, whether it be eggs or beef or pork? What are the products he is advising his co-workers on the delegation will be available to assist needy countries? Can he give us a general picture of them, because he has all this information at his fingertips?

Mr. Whelan: The right hon. gentleman says he reads all my speeches. I am sure that when he refers to the information in them he is correct. I am sure that what he says about their containing humour is correct, too. If he reads the speeches made by some of the members on his side of the House he will not find either of those qualities in them.

I am sure the right hon. gentleman realizes that our producers are among the most capable in the world and that they can turn the taps on when there is need to do so. We have the know-how and we have the facilities. Our farmers could turn these things on if we had a proper world distribution system.

Mr. Diefenbaker: What products are available? That is what I am asking. What products are in surplus?

Mr. Whelan: The very fact that we have a surplus of eggs, for instance, places us in a better position to supply egg protein to other parts of the world.

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MANPOWER

POSSIBLE INTEGRATION OF UNEMPLOYMENT INSURANCE AND MANPOWER SERVICES

Mr. Arnold Peters (Timiskaming): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration and it arises from a recent directive which he has issued to the effect that actions in addition to registration with manpower offices are necessary in connection with the receipt of unemployment insurance benefits. Is it the minister's intention to reunite unemployment insurance and manpower services so that a national employment agency may be established from that structure?

Hon. Robert K. Andras (Minister of Manpower and Immigration): It is not my intention to recommend the integration in a structural sense of the Unemployment Insurance Commission and the Department of Manpower. However, we have had considerable success in getting much closer co-operation and co-ordination at all levels between these two organizations and this is a course we intend to pursue.

SUGGESTED CHANGES IN MOBILITY GRANT REGULATIONS

Mr. Arnold Peters (Timiskaming): The new directives indicate that jobs have to be sought not only through the manpower agencies but also outside those agencies. Is it the intention of the minister, then, to extend Part II of the mobility grants and make grants available to those who seek employment outside the manpower structure and find employment in other places, so that those who do locate jobs in this way may get the benefit of the second part of the mobility grant program?

Hon. Robert K. Andras (Minister of Manpower and Immigration): In the first place, the requirement that a person who is unemployed and receiving benefit should conduct an active job search beyond co-operating and registering with the manpower office has always existed. With regard to the mobility grant, I should like to examine the hon. member's recommendation in more detail, but generally speaking we are very keen to offer not only recipients of unemployment insurance benefits but all who are seeking work the full benefit of mobility grants to assist their search for work outside their normal location. This does, however, call for prior liaison with the manpower centres before such a grant can be approved.

Mr. Peters: It is a requirement that before drawing unemployment insurance benefits persons seeking jobs should make an application to a manpower office. In my area people often go outside the manpower structure to get jobs and I am sure this is true across Canada. Is it not reasonable, then, that the minister should change the

terms of the mobility grant so that the Department of Manpower should not be the only agency responsible for dispensing the advantages of mobility program when someone takes the minister's advice and locates a job outside the manpower structure?

Mr. Andras: I am simply saying that if we are to keep order in the process, the person contemplating such a move has to deal with the manpower office and clear it with them before he can assume a grant will be forthcoming. There is some merit in the hon. member's suggestion that there might be an increase in the flexibility of the program, but it will not be likely to be introduced in the foreseeable future.

* * *

[*Translation*]

HOUSING

SUGGESTED MEASURES BY CENTRAL MORTGAGE AND HOUSING CORPORATION TO CONTROL IRREGULARITIES BY OTHER AGENCIES

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I wish to put a question to the Minister of State for Urban Affairs.

According to a news report which appeared in yesterday's issue of *Le Droit*, some provincial officials of the Ontario Housing Corporation would apparently be arrested soon in relation to a matter of bribes.

Moreover, according to the article, it seems that lobbying by certain contractors allowed their company to extract considerable profits from housing projects in the area of London, Hamilton, Kitchener and Ottawa.

Can the Minister tell the House if the Central Mortgage and Housing Corporation exercises any control over the spendings of the various provincial housing agents in relation to the acquisition of real estate?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): The CMHC monitors its own programs extremely carefully, particularly since there have been suggestions of irregularities in other agencies. I would be happy to meet with my counterpart Mr. Irving, the Minister responsible, to discuss any procedures which might be appropriate. If there are cases regarding which the hon. member has specific information I would appreciate receiving details from him.

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ENERGY

MACKENZIE VALLEY PIPELINE—POSSIBILITY OF DENIAL OF DOCUMENTS TO MR. JUSTICE BERGER'S INQUIRY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a question for the Minister of Energy, Mines and Resources who has indicated that if Mr. Justice Berger, in the course of pursuing his inquiries into the proposed Mackenzie Valley pipeline, should seek any sensitive documents in the possession of the federal government he would consider changing the terms of reference of the inquiry, which is something I find very shocking particularly after what we have seen in the country to the south of us recently in connection with claims of executive privilege and things of that sort. Will the minister assure the House that he will not interfere with the inquiry conducted by Mr. Justice Berger and that there will be a full inquiry into that pipeline proposal to the extent that it is necessary?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, this parliament has passed a number of laws, including laws with regard to oil and gas land regulations and the Income Tax Act, in accordance with which proprietary information made available to the government by firms and individuals is held to be strictly confidential to the extent that ministers are prevented from making this information available either to the public or to other ministries of the government. In these circumstances, particularly with regard to the oil and gas land regulations, I might be faced with compulsion to make public documents which by law I am told to keep confidential. I expect to meet Mr. Justice Berger within a few weeks to discuss the conflict which might arise involving the specific injunction placed upon me in my capacity as minister.

Mr. Stanfield: Will the minister give the House an assurance that he will confine any claim of confidentiality to documents which are clearly defined by acts of this parliament as being confidential, that he will not set himself up as a judge of what should be kept confidential and what should not, and that we shall, in fact, have a full and fair inquiry and not one conducted according to rules which the minister himself may try to lay down?

Mr. Macdonald (Rosedale): I would remind the hon. member that the rules have been laid down, not by me but by parliament. What is more, may I point out to the hon. gentleman that there are other documents, for example, cabinet proceedings and other proceedings of that kind, which while not covered by statute, have traditionally been regarded as confidential to the executive. It seems to me that for the hon. member to suggest that these kinds of confidences should be breached is a misreading of the responsibilities I have in my office.

● (1210)

MACKENZIE VALLEY PIPELINE—ALLEGED THREAT TO CHANGE TERMS OF REFERENCE OF MR. JUSTICE BERGER'S INQUIRY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I apologize, but for the minister to suggest that if Mr. Justice Berger, in his search to have a full inquiry and to do the task that has been assigned to him, asks for certain documents to which the minister does not think he is entitled he will change the judge's terms of reference, this is one of the most shocking things that has taken place in this country for a long time.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I said clearly in response to the question from the journalist, which presumably the hon. gentleman has read, and I say to him clearly now,

that I am under certain injunctions with regard to the law. I hope that he will not try to twist my answers in any other way.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask a supplementary question. Does the minister think that Mr. Justice Berger is not aware of the laws that are on the statute books of this country and that he will not know there are certain documents that he cannot ask for because the minister cannot produce them? Therefore, I ask the minister whether he has been asked to produce any documents which would be contrary to the laws restricting him at this time.

Mr. Macdonald (Rosedale): No, sir. The question specifically put to me was whether I would make all documents available, whether covered by law or not, and I indicated to the reporter some of the difficulties involved in this question. There has been no request from the judge, though there has been a request that we should meet and discuss this difficulty that exists between his responsibilities and mine.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Then why is the minister making threats to change the terms of reference before he has even met the judge to determine what the judge wants?

Mr. Macdonald (Rosedale): Mr. Speaker, there was no such threat; it was merely a response to inquiries from the press as to the situation in which we would find ourselves. It seems to me that one of the appropriate things to be done by a minister and a member of parliament is to respond to this kind of press inquiry as to what a particular situation may be.

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HEALTH

PROPOSED COMPUTERIZED MEDICAL RECORD SYSTEM—SUGGESTED INVASION OF PRIVACY

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, because it could overlap with the responsibilities of a number of departments I should like to address my question to the Prime Minister. It arises from the recent report of the Science Council of Canada, report No. 22 "Science for Health Services", which recommends a nationwide, computerized birth-to-death medical record system for all Canadians, access to which can be had anywhere in the country. Can the Prime Minister assure the House that he has no present intention of encouraging the creation of such a system, which could seriously threaten the privacy of all Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not read the report but I will refer the question to the relevant ministers.

PUBLIC BUILDINGS

SUGGESTED RENAMING OF JUSTICE BUILDING TO HONOUR RIGHT HON. LOUIS ST. LAURENT

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is for the Minister of Public Works. In view of the considerable difficulties encountered by the minister in using statues to pay tribute to former prime ministers, I am wondering whether the minister is considering suitable alternatives; and specifically, would the minister consider renaming the justice building which is currently being renovated by the Department of Public Works, in fitting memory of a distinguished former Minister of Justice, and later Prime Minister, the Right Honourable Louis St. Laurent?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, in respect to this particular suggestion there is a governmental responsibility which is shared by the Department of Public Works and the Secretary of State. I will be glad to look into the suggestion made by the hon. member.

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EXTERNAL AFFAIRS

REPRESENTATION OF PALESTINIANS AT GENEVA CONFERENCE—CANADIAN POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs and I wish him well on his trip with the Minister of Agriculture. My question is based on the recent declaration of all the leaders of the Arab states, including His Majesty the King of Jordan, that the PLO should attend the Geneva conference. In the light of the Canadian government's view that the Palestinians should be represented at Geneva, is it now the opinion of the government that such representation be through the PLO? If not, how in the view of the Canadian government should such representation be achieved?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the position of the Canadian government—

Mr. Stanfield: Is well known.

Mr. MacEachen: —is well known, as the Leader of the Opposition has so helpfully indicated. It is to the effect that it is not the job or the purpose of the Canadian government to prejudge the form of Palestinian representation at the Middle East peace conference. We believe that the Palestinians should be represented because of their vital interest in the outcome of the talks, but we have not judged, and we do not and will not judge, the form of that representation. That is the situation. It is the situation because we believe that it is the right of the parties involved in the dispute to determine that question, not that of Canada or other countries.

Mr. Speaker: The hon. member for Greenwood on a supplementary.

Oral Questions

WORLD FOOD CONFERENCE IN ROME—CANADIAN POSITION ON ESTABLISHMENT OF WORLD FOOD BANK

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is not supplementary. I had intended to put the question to the Minister of Agriculture, but in view of what has happened this morning I will put it to the Secretary of State for External Affairs. Will the minister, without going into any detail, state whether Canada will support at the world food conference the setting up of a world food bank and give a definite commitment to make a substantial Canadian contribution to enable this to be done?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, put in those terms, to my knowledge there is not a specific proposal before the conference for the establishment of a world food bank. There is a proposal put forward by the secretariat with respect to national stockholding of foods, and certainly Canada will make a positive response to that question, as was done earlier by the Minister of Agriculture at the FAO conference. The whole question of world food security will, of course, be positively responded to by the Canadian delegation.

Mr. Speaker: The hon. member for Greenwood may ask a final supplementary.

Mr. Brewin: Mr. Speaker, I should like to ask the minister whether the proposal includes what Canada is, as I understand the minister, going to receive favourably, namely international co-ordination of the food security plan?

Mr. MacEachen: Mr. Speaker, it is obvious that the flow of food resources must be the result of international co-ordination. It is our intention to support the necessity for this international co-ordination, and if possible to set up mechanisms by which the co-ordination and flow of resources can be carefully monitored.

* * *

HOUSING

PREDICTED DECREASE IN NUMBER OF STARTS—GOVERNMENT MEASURES TO RECTIFY SITUATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, through you may I put a question to the Minister of State for Urban Affairs. Last Wednesday I asked the minister for his comments concerning the Conference Board's prediction that housing starts next year will be down 35 per cent compared with last year. In response, the minister stated that he would be taking appropriate steps to rectify what he believed was an unacceptable situation. Would the minister explain if his penny-ante program today is one dramatic step in his program of rectification?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am rather surprised at the description by the opposition of a program for which they have been asking for some time as penny-ante. It is but one of several measures that have yet to come before the House. As far as the Conference Board is concerned, as I said the other day I respect the Conference Board's figures as valid, based on projections. But the figures for the United States are even poorer; there is in the U.S. something over a 50 per cent reduction in housing starts. We do not intend to limit the number of housing starts in Canada during the coming year, and the measures that I will be introducing soon, in addition to this one measure, will help achieve that result.

• (1220)

REASON FOR RESTRICTION OF APPLICABILITY OF $500 GRANT TO NEW HOMES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I wonder whether the minister could explain why his program applies only to new homes as opposed to all homes, bearing in mind that Statistics Canada figures, on which he may be relying, include only the actual house price in the sense of bricks and mortar and not land cost, yet bricks and mortar have only gone up 60 per cent while land costs in this country have gone up 200 per cent in the last five years, all of which means that home prices in Canada have gone up 110 per cent compared with 38 per cent in the five year period? The minister is suggesting a very limited program and I wonder if he would explain why it does not apply to all houses?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, as we know, there are statistics and there are statistics. We now have two sets, Statistics Canada and statistics Stevens, and I rather prefer the former. This is a judgment or trade-off that one must make, and it is quite in keeping with government policy to increase supply. We have our resources and ideas, in this case AHOP, and the funds were channelled after the initial start program into new housing construction. We think this will serve all the people of Canada well by increasing starts and reducing the price of housing in Canada, and that is our objective.

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CAPE BRETON DEVELOPMENT CORPORATION

ENTITLEMENT OF PRE-RETIRED COAL MINERS TO UNEMPLOYMENT INSURANCE BENEFITS—GOVERNMENT POSITION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, in light of the many and varied discussions the minister has had with the former member for Cape Breton-East Richmond and myself over a period of many months regarding unemployment insurance benefits due to the pre-retired coal miners, and in view of the very excellent hearing the minister gave a delegation representing the pre-retired miners some months ago, at which time the moral responsibility of Devco in the matter was discussed once again, I should like to ask the Minister of Regional Economic Expansion whether he is in a position today to advise the House of any decision he has come to on this very important problem?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, a number of decisions have been made as a result of these meetings, representa-

tions and the like over the last couple of years. The most recent request I received came I believe from a spokesman for the pre-retired miners group asking for a further meeting. I will certainly be prepared to arrange that. Also within the last week I had discussions with the president of Devco regarding the whole process of negotiations for a new work contract with presently employed miners and others of the Devco organization. I assume that as a result of these negotiations there will be certain elements which will relate to these already retired. I am waiting to hear in more detail from Mr. Kent as to just what kind of propositions are going to be put forward and the extent to which the future of the already retired miners is in fact or likely to be involved in the negotiations for a new contract.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed, from Thursday, October 31, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade, be read the second time and referred to committee of the whole.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, when I moved the adjournment of the debate yesterday I had outlined five proposals which might become part of a national oil policy for Canada. I want now to add a sixth proposal. I believe the government should not tie up scarce capital and materials on oil and gas pipelines mainly designed to move United States oil and gas to the United States, which will have little value for Canada. The first of these proposals, and I know it is now being resurrected, is for the construction of an oil pipeline from the Mackenzie Valley to the United States. It should be pointed out that we do not, so far, have any proven reserves of oil in commercial quantities in the Mackenzie Valley. The main purpose of such a pipeline would be to transmit oil from Prudhoe Bay to the United States. It is true that if we discovered some oil we could put it into that pipeline, but the quantity of Canadian oil would be negligible and would not warrant the $6 billion to $10 billion capital investment that would be required.

The same thing is true with reference to a gas pipeline from the Mackenzie Valley to the United States. In this instance we do have commercial quantities of gas in that area, but we have a 25-year supply of gas in the southern part of Canada and we need not look at this area for at least ten years. Those who are proposing the building of a gas pipeline from the Mackenzie Valley are not thinking in terms of Canada's need. The situation is that the gas in the Prudhoe Bay area can only be taken out as the oil resources are exploited; therefore, they want a pipeline with Canada involved so that for the first four or five years some 70 per cent or more of the gas going through the pipeline will be Canadian gas. The result will be that by the time we need the Arctic gas most of it will have been sold, through the Mackenzie Valley pipeline, to the United States. There will come a time when we will need that pipeline, but that is some years away. When we build such a pipeline, it should be a pipeline to sell Canadian gas in Canada, and not to export it out of the country.

My third point has to do with offshore oil reserves. So far we have not, unfortunately, found quantities sufficiently large to warrant development. We cannot count on this source to solve our problems in the next decade. It is to be hoped that oil will be found off the Atlantic coast, but we should reconcile ourselves to the fact that in this respect a lead time of five to ten years will be required. Therefore, Canada's best bet is to develop the Athabasca oil sands and the heavy oil deposits in Saskatchewan. The estimate is that the Athabasca oil sands have an oil capacity of some 300 billion barrels, of which about 50 billion barrels can be recovered by strip mining. The National Energy Board report of 1972 suggested that we could produce 1,200,000 barrels a day by 1985. It is my opinion that this figure is too optimistic as it would mean building eight plants between 1977 and 1985 and moving about two million tons of loose quartz sand every day. I do not think that is possible. We must step up the programs we have now.

What concerns me is that the government seems to be lackadaisical about the one sure source of oil to meet the critical situation which will confront us between 1979 and 1980. We already have the Great Canadian Oil Sands company, which is producing some 53,000 barrels a day and which will probably go up to a peak of 65,000 barrels a day. We have the Syncrude plant which is now under construction and is hoped to be completed by January, 1978, with a capacity of 125,000 barrels per day. Also, the Shell Oil plant, if it proceeds as it should, will be started in 1976 and completed in 1981, also with a capacity of 125,000 barrels per day.

● (1230)

If we assume an exportation and importation balance, I think it is safe to say we will have to find a supply from other sources. The only other sources which come to my mind are the Athabasca oil sands and the heavy oil deposits in Saskatchewan. We will have to find, from those sources, between 300,000 and 400,000 barrels a day by 1980, and something over 900,000 barrels a day by 1985. That is the reason I urge that we do everything possible to step up the program in respect of the oil sands and the heavy oil deposits.

First, I think our course of action must be by way of conservation in order that the existing, conventional oil supplies will last as long as possible. Second, we must step up, encourage and intensify the development of oil from the oil sands. Third, the government should be spending very large sums of money now in scientific research related to alternative sources of energy, because we must not forget that even the great oil deposits of the Middle East have a life index of only 35 years. The whole question of solar energy, geothermal energy and nuclear power must

be examined, and the research must be carried on much more rapidly than has been the case.

I am concerned about the provisions in this bill for paying compensation to the oil companies and for paying higher prices to the gas companies. Canada is paying tremendous sums of money to the oil companies for imported oil. We agree that it is necessary to maintain a single price across the country, plus transportation and handling charges. But we paid out, under Governor General's warrants, between June and October $470 million in compensation to the oil companies. Under this bill, for the first quarter of 1974 the government is authorized to pay out another $430 million. This will represent an amount of $900 million in a period of less than a year.

I have a very strong feeling that the public funds of Canada are being ripped off by the oil companies. It is very significant that, in this oil crisis, everybody makes some sacrifice except the oil companies. The consumers have accepted an increase of $2.50 a barrel. The provinces of Alberta and Saskatchewan are giving up in the order of $1,300 million a year. But the oil companies have never had it so good. The profits of Imperial Oil increased 45 per cent last year over 1972, after payment of taxes. The profits of Gulf Oil, after taxes, increased last year by 58 per cent over 1972. I do not have their figures for 1974, but I do have them for Shell. In the first nine months of this year the Shell Oil company had profits of $119.5 million, compared to $60 million for the first nine months of last year. This represents an increase of almost 100 per cent. It is positively obscene, at a time when we face a national and an international crisis, that the multinational oil companies have been able to rip off the public and the public treasury to the extent that they have.

This legislation allows the government to fix the price of gas. I do not object to that, because this party is in favour of selective price controls. This is one field in which price controls are appropriate. We want to know, however, the price level that the minister has in mind. In statements which have appeared in the press from time to time the minister has suggested that the price probably ought to rise from, say, 60 cents per thousand cubic feet to $1.20 per thousand cubic feet, by stages—on the principle, I suppose, that it does not hurt a dog if you cut off his tail an inch at a time. Why does the price have to virtually double over a period of time? Have the costs of production gone up? No one will quarrel with an increase in price if the costs of production have risen, but they certainly have not risen to the extent the minister seems to envisage.

I do not buy the argument that it is necessary for these companies to have larger and larger profits because they will use those profits to explore for more gas. If the government wants them to use the money for the exploration of gas, let the provinces and the federal government collect the money and then rebate it to them for the exploration they carry out or, better still, have the exploration carried out under federal and provincial auspices. I think the public will accept higher prices for gas if production costs warrant it, or if they can be sure the money will be used to find further supplies. But the public will not stand for an increase in the price of gas if it is merely to swell the already high projects of the gas companies and of TransCanada Pipe Lines in respect of the transportation and sale of resources which belong to the people of Canada.

I wish to make an appeal to members of this House, particularly the younger members, many of whom will be here long after I have left. I ask that, no matter what their party is, they apply themselves conscientiously to finding a solution to the energy crisis which faces Canada and the world. This is the most serious problem facing our generation. I suggest that the policies we adopt and the actions we take in the next few years will determine our life style, our future and our survival.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I always appreciate the opportunity to take part in a debate on energy, which is so important to the economy of my province which produces about 86 per cent of the crude petroleum not only for domestic needs but for export to meet the needs of the world. I also like to follow the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). Even though we may disagree on our stand in respect of a program, he always provides food for thought and has vision. I was pleased to hear him speak out as he did today, particularly in his concluding remarks, about this being one of the most serious problems facing Canada and the world in the next few years.

I am told by representatives of the industry in Calgary that they now find, since the election—probably because the pressure is off—that the Minister of Energy, Mines and Resources (Mr. Macdonald) has relaxed a good deal, is much more affable and easier to deal with. I hope that situation continues for the next four years. I should like to break my speech into four parts. I wish to deal with the history of this bill, some of the constitutional questions involved, and particularly part III of the bill. I also wish to say a few words in respect of incentives for exploration and development, which is one of the most important aspects of this subject, in order to ensure an adequate supply.

The bill, in part, flows from the historic meetings of first ministers. That was a point made by my friend, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). We all remember the second last meeting of first ministers, held at the residence of the Prime Minister (Mr. Trudeau) in the latter part of March, 1974. We need not wait for history to put that occasion into proper perspective, as the agreement they reached will stand as a triumph of statesmanship, good sense and co-operation in the delicate field of federal-provincial relations. I heard the hon. member for Qu'Appelle-Moose Mountain say that.

● (1240)

I would emphasize another point which was made by the hon. member for Qu'Appelle-Moose Mountain; that is, that when the meeting took place and there was agreement, it was for a period of 15 months. That is why we have grave reservations, with which I will deal later, in reference to part III of the bill, whereby the federal government can bring about price-setting, control of supply and other measures without consulting the provinces and securing their agreement. Of course, if you carried the practice to its logical conclusion, it would destroy the economy and the jurisdiction the provinces have under the constitution. The essence of the agreement was that for a period of 15

months, which would expire on July 1, 1975, the provinces of Alberta and Saskatchewan undertook to sell one of their principal, non-renewable resources at an average price—as the hon. member for Nanaimo-Cowichan-The Islands said—of $6.50 per barrel at the well head. There would be a set price across the land, except for such factors as transportation and handling. The federal government, for its part, agreed to adjust the distribution to ensure that crude oil would become available at the same basic price across the country.

Part III of this bill was not one of the terms of the government reached by the ministers but was, rather, a mechanism whereby the federal government, by agreement in cabinet, could impose its will unilaterally upon the producing provinces in respect of the price at which they would sell one of their depleting natural resources. To that concept, strong exception has been taken by myself, by the attorney general of Alberta and by members of the standing committee when Mr. Leitch appeared before them as a witness, both on the ground of principle and of constitutional validity.

Part III, to which our most fundamental objections are directed, far from embodying a term of first ministers' agreement, stands as a direct negation of the principles upon which that agreement was based. It permits the executive council to terminate an existing agreement between a producer province and the federal government, or to decline to negotiate a renewable agreement and to impose, by unilateral action, maximum prices on a natural resource owned by the province.

The inequities in part III are both plain and subtle. I ask the minister—even though his party now has a working majority in the House and in the committee, so that when I said what I did about the industry, it was not puffery; it was fact—in view of the new atmosphere in which the minister is operating, is he giving serious consideration to making changes to part III? If he is, this bill could be expedited, not only on second reading but in the committee. If one of the negotiating parties reserves unto itself the right to cancel the bargain, or the right not to bargain at all, then the consultative or negotiating process becomes meaningless: the concept, the grand scheme, the sensible formula for resolving federal-provincial differences loses its very foundation. For example, if one of the negotiating parties, by legislation, purports to reserve unto itself powers of the most dubious constitutional validity, it invites the other party to embark upon a course of judicial confrontation.

There was a position taken early in the negotiations and the minister knows that even the proposition to implement the surtax may be questionable constitutionally. The producing provinces—I do not know whether it was Mr. Blakeney of Saskatchewan or Mr. Lougheed of Alberta—did not want to come to the federal government at a time when there appeared to be problems and a constitutional confrontation before the Supreme Court of Canada; therefore they arrived at the agreement which I have already discussed.

In the last analysis, when viewed in practical terms, part III amounts to an assertion by the federal government of the right to regulate the price, the flow, the production and the sale of a provincial natural resource. I say that is unconstitutional. It embodies a concept which I am sure no provincial government, after measuring the consequences of its extension to other natural resources—this is the point the hon. member for Qu'Appelle-Moose Mountain was making—such as lumber and hydro power, would accept. I do not believe for one moment that a powerful province in central Canada which has more political muscle than others because of the number of its members, the province of Quebec, would want to see a federal tax put on hydro, which they export, particularly in view of the great development at James Bay. I think somebody said last night that what is sauce for the goose is sauce for the gander. If we do not have equality for all provinces, small and large—those with small representation and those with large representation—on matters of this nature, then confederation will erode.

We deal with potash, iron ore, asbestos, nickel, copper and coal without acknowledging that in today's economic circumstances the federal government has taken complete charge of the provinces' capacity to determine their future economic development. I am sure that was never intended in the terms and conditions of confederation, even in the spirit of confederation, and it is certainly not in the spirit of the law as it has been interpreted. There is no need for the legislation contained in part III which provides for the substitution of the federal will for the negotiated agreement referred to in part II. They can negotiate, they can make agreements for the good of the nation even when they represent the special interests of their province, which every provincial premier must do.

The first ministers' conference demonstrated the presence, strength and vitality of the national concept in a way which is perhaps unparalleled in our history. I hope that concept will not be impaired by the enactment of legislation which is unnecessary and susceptible to constitutional challenge because, as I have said, the very spirit of confederation would be eroded. I do not think now is the time, when we are dealing with matters of energy, to have a constitutional confrontation.

I might say that in the area of constitutional law—and the hon. member for Nanaimo-Cowichan-The Islands, who was the premier of Saskatchewan for many years, will agree with me—when you are interpreting the constitution before a judicial tribunal, everything depends on the personalities there. I do not want to pass any judgment that would reflect upon a judge, but I say that the personality of a man appointed to that position, and his philosophy when he is interpreting the constitution and therefore taking into account the social, economic and political implications, is reflected in the decision. That is why, whether it is in the Supreme Court of Canada or the supreme court of the United States, you find that the courts legislate in the field of constitutional law.

I do not know who mentioned this, but it has been said that it seemed to be constitutionally unsound for the provinces to tax little, but constitutionally sound for the provinces to tax much. Surely that is not the formula on which we should base federal-provincial relations when dealing with taxation, particularly when dealing with property, civil rights and resources owned by the provinces.

I should like to turn for a few moments to a matter that has political implications. In May, 1974, gasoline prices increased. The higher gasoline prices, following the controlled lifting of the price freeze by the federal government, reflected the increased cost of doing business but mainly the higher cost of the raw material, namely, crude oil. Very little of the price increase went to the petroleum industry; most of it ended up in the government treasury. I make one suggestion, if we want to put safeguards on this: if you leave it to the corporations, human nature being what it is they can use the money for exploration in Canada, all things being equal in international competition. I agree with the suggestion of the hon. member for Nanaimo-Cowichan-The Islands that if oil companies are to be encouraged to explore and develop petroleum resources, the government should in some way hand back to them part of the money which has been paid in tax, as compensation for exploration expenses. Only in this way will we encourage exploration and development of petroleum and natural gas.

● (1250)

State-owned corporations are not as efficient as private corporations. True, some corporations have made agreements with communist countries, but they remain privately owned. I do not think a state-owned company can be as efficient as a privately owned company which is answerable to its shareholders. That is where I part company with the hon. member for Nanaimo-Cowichan-The Islands. I accept his first idea, that of giving a rebate to companies for exploration expenses, but I reject his second idea. We differ in philosophy in that regard.

What is the future of the Canadian oil situation? Canada will be threatened with the loss of self-sufficiency in crude oil production toward the end of this decade unless action is taken now to increase investment in new oil resources. The word which keeps cropping up as I listen to members of this government and of provincial governments is "supply." That word is very important in any consideration of the price of crude petroleum. Adequate supply will only come about through adequate exploration and development.

Many geologists in my constituency believe that there is much oil still to be found in Saskatchewan and Alberta. People speak as if no more oil is to be found there. They are not right. In addition, we have the tar sands and we have the Arctic development, about which I shall speak later. What is most serious is that drilling rigs are moving out of this country because greater incentives for exploration are provided elsewhere. These rigs always go where the action is, where the dollars are. Let us be practical. I have yet to meet a man or a woman who can tell me that human nature is different as between Socialists, Conservatives and Liberals. We are all pretty much the same.

What is our Canadian oil potential? There is much guessing, but it is estimated that our potential reserves total over 300 billion barrels, enough to meet Canada's needs far into the future. We can only develop this potential if we encourage exploration. This we can do only if we change some of our ideas with regard to taxation. This, too, I shall speak about later. What happens when there is a cutback in oil production, or in exploration and development? The adverse effects are felt not only in Calgary, which city people have already left, but in the rest of Canada in the secondary and tertiary industries which operate in areas like the golden horseshoe and other industrial areas. For example, the oil industry buys from Ontario manufacturers piping and valves worth between $500 million and $600 million. So when you rock the boat it is like disturbing the balance of nature. The ripples spread out and are felt in every corner of the land.

What can one say about oil industry profits? Some say that these profits are excessive, relevant to investment in the oil industry. Others who have examined the facts say that returns are not very great. I will deal with this topic later. The $6.50 per barrel price of crude oil provides only 77 cents per barrel investment for oil companies with regard to search and development. In other words, out of the gross price of $6.50, the companies have available 77 cents to invest in exploration and development in Canada, unless cash flows in from outside. Many of us think that some degree of Canadian investment is preferable to foreign investment. Well, you cannot cut the profit levels of oil companies to nothing and expect them to carry out exploration and development. So I suggest that there is a need for foreign capital and we must develop a sensible formula in this regard.

Provincial and federal governments, through the medium of the export tax, take about 90 per cent of the value of exported oil. As we heard yesterday, the federal government had received by June 1974, $900 million in oil funds, and by the end of this year it will receive $1.5 billion. Most of our oil comes from Alberta. Saskatchewan exports to the United States most of its 14 per cent share of production. From its 86 per cent share of production, Alberta supplies all areas of Canada west of the Ottawa Valley. We are providing oil to the rest of Canada at $6.50 per barrel when the world price is better than $10 per barrel. As the hon. member for Qu'Appelle-Moose Mountain said, what Alberta is doing shows that the province is not selfish. It is subsidizing eastern and central Canada to the tune of $1.5 billion. Altogether, in one year the 1.5 million people of Alberta will subsidize the rest of the people of this country to the tune of $3 billion.

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

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Woolliams: Madam Speaker, we have a little quality here today, if not quantity. Before lunch I was dealing with the fact that with the surtax alone that is collected on Alberta resources, $1.5 billion is paid to subsidize and compensate for the cost of oil imports, mainly from the Middle East and Venezuela. In addition, $1.5 billion is paid

to Ontario indirectly by reason of the fact we are selling crude petroleum to them at $6.50 a barrel: it is the difference between $6.50 and the world price. The surtax has been as high as $5.20. Our profits are compensating the nation in respect of crude petroleum in the amount of $3 billion annually. That is the amount collected this year. I know the minister agrees with that figure.

I wish to turn for a few moments to the consumer problem. It is at the gasoline pump that the public meets the petroleum industry most frequently, not in the executive offices. It is, therefore, only natural that public reaction to petroleum industry activities begins at this point. Yet the gasoline pump is many steps removed from the raw material source, the oil well, and it is even more remote from the planning and legislative process that controls the search for and development of the raw material. Therefore, there sometimes is not very much liaison between the consumer who fills his car with gasoline, and the people involved in the exploration and development stage. When I talk about that stage, I need only remind the House that this week a tragic accident occurred. Thirty-two people from PanArctic, with know-how and skills, geologists and others, lost their lives in the Arctic this week through exploration and development for our nation.

Any burden on the raw material, be it in the form of royalties for the provinces, royalties for the federal government, surcharges, mineral tax or corporate tax, must eventually be borne by the consumer. He is the only real taxpayer. I emphasize that: royalties, surcharges, mineral taxes and other taxes must eventually be borne by the consumer. Taxes are just as much a cost of doing business as are wages, salaries and raw material. If taxes on the raw material increase, the cost of the raw material will in turn rise and the consumer will pay higher prices at the gasoline pump. I want to emphasize that we cream so much off the resource industry that we do not leave enough money in Canada for exploration and development. Our explorers and developers are engaged in international competition. Corporations which are owned by Canadians, the drilling companies, will leave Canada.

● (1410)

When Canadians began paying more for gasoline following the controlled lifting of the price freeze on petroleum by the federal government on May 15, 1974, the higher prices reflected the increased cost of doing business, but mainly the higher cost of the raw materials. Very little of the price increase went to the petroleum industry; most of it ended up in government treasuries. As I have said, Mr. Speaker, there was an increase of $2.50, from $4.00 to $6.50. Of that $2.50, the oil companies received about 77 cents; the rest went into government treasuries to be used for various programs, federal and provincial.

The proposals in the budget of May, 1974, would, if implemented, accentuate this situation. The point I am trying to drive home once again is this: if the May budget had been approved, or if the same terms and conditions are included in the next budget, the federal government would be taxing not only the profits of the companies but the royalties paid by them, royalties which constitute a provincial tax. In other words, these royalties are included in the amount upon which tax is claimed by the federal government. I say that this is unconstitutional, that it is unfair and that it is certainly not good for confederation.

Inherent in such a process is the prospect of an energy shortage in the near future. Consumer dollars siphoned off by governments into the social sector are not available to the industry for reinvestment in finding, developing and producing new supplies of oil. What will happen? In the end, Canadians will be the losers. There are people in this House who seem to enjoy the prospect of a shortage of crude petroleum. They talk about an energy crisis. Mr. Speaker, there never was a real energy crisis in Canada. What we saw, resulted from the inability of governments to plan transportation and pipelines to move petroleum and natural gas to all parts of the country at a cost which the people and the industrial empire of Canada could afford. There certainly was not a shortage of supply. If there is a shortage, how is it we are exporting a million barrels of crude petroleum to the United States every day? As things are, the consumer faces the prospect of paying increasingly high prices while at the same time Canadian supplies dwindle and Canadian self-sufficiency is impaired.

When you tax an industry to death, the consequences are obvious—exploration slows down and the cost of gasoline at the pump goes up. Canadian crude oil production from the so-called established areas will soon peak and then begin to decline if there is no further exploration and development, especially of the tar sands. We shall become increasingly dependent upon foreign supplies. Canadians are not used to such a disturbing outlook. Under the stimulation of a national oil policy backed by appropriate tax and royalty policies, Canada tripled its oil production from 625,000 barrels a day in 1961 to two million barrels in 1973. This was the program devised and implemented by the government headed by my right hon. friend from Prince Albert (Mr. Diefenbaker).

Members on the treasury benches opposite have often spoken in glowing terms about the national oil policy implemented by the party to which I belong, a policy which, as I say, enabled us to triple our oil production. If we could do that in a ten-year period in the past, we can do so again. The fear that we shall run short of supplies is not great. The fear of Canadians who understand this question is that pea-brained policy makers will fail to provide an incentive for the development, the supply will fall off and the cost of energy to the consumer will go up.

I want to deal, now, with the world situation as it fits into the picture, with special reference to OPEC and how it works. OPEC is not a government, but a world power which is presently giving the western world the jitters. And it shows no sign of breaking up. The welfare of most of the world's non-communist countries depends more and more on decisions made by a dozen oil producing countries acting through a cartel, plus Venezuela and Ecuador. Who are the members and leaders of this suddenly powerful group? How are they able to make the oil consuming world pay ransom? OPEC's full name is the Organization of Petroleum Exporting Countries. The source of their power is oil, billions of barrels of it, and the billions in dollars and other currencies which have come from its sale. It is the source of their power and their common bond.

Incidentally, Mr. Speaker, they never put their own money into the development of these resources. It is foreign capital which developed these wells in the Arab countries as well as in South America. Be this as it may, OPEC is rapidly becoming one of the most powerful cartels the world has ever known, controlling the price and supply of oil which is the lifeblood of industrialized societies. In the last 12 months some members of the cartel, acting individually, have restricted the output of crude. All its members, working together, have been able to impose an increase of 400 per cent in the price of crude oil as a result of the stranglehold they have exercised over this vital resource. Indeed—and I speak after giving this matter a great deal of study and attention—this stranglehold exercised over a large part of the world's energy resources has raised fears of a global depression resulting from the growing burden of oil costs. Such a depression is well within the realm of possibility in the next few years.

It is obvious to anyone who comprehends international trade in crude oil petroleum that the wealth of the industrial western nations is fast flowing to the Arabs. The seriousness of the situation is starting to sink into the consciousness of all western nations, including Canada. Unless we can create a climate and atmosphere for continued exploration and development, a deep global depression is in the making, caused in large measure by the astronomical increase in price of crude petroleum in the last 12 months, an increase from $2 a barrel to $10 a barrel. At one point the price was $11 a barrel.

● (1420)

The blackmail and economic pressures caused by the OPEC countries cover the Mesopotamian area, plus South America. Let us consider some of the high costs that have resulted. In 1973 the United States imported the same amount of oil as in 1974; the cost in 1973 amounted to $7.5 billion, whereas the cost in 1974 is estimated to be $25 billion. Japan paid $6.7 billion in 1973, and $21 billion in 1974. West Germany jumped from $5.1 billion to $11 billion, France from $3.4 billion to $9 billion, Britain from $3.3 billion to $9 billion, and Italy from $2.1 billion to $7 billion. Canada imported proportionately less, but nevertheless it cost us an extra $1.5 billion. This sum was paid, not by the treasury but from revenue derived from the resources that flow from the province of Alberta. Only 16 per cent of our oil emanates from Saskatchewan, and this is used for their own consumption.

The finance ministers of the western world, including the Minister of Finance (Mr. Turner), gathered in Washington in early October for a meeting of the International Monetary Fund and the World Bank. All western countries were worried that they would not be able to pay their inflationary oil bills or would not be able to borrow enough to pay those bills, and they asked the producing nations, particularly OPEC, to lend money to the World Bank from the surplus of moneys they had earned from oil sales. The serious question is, will they do this? If they will, then will they continue to do it?

Canada has been in a very fortunate position, however, and will continue to enjoy that position provided the federal government does not overkill exploration and development. I emphasize the word "overkill" in terms of taxation, which stymies exploration and development.

[Mr. Woolliams.]

Every day we use from our own crude reserves one million barrels, and we export about the same amount to the United States. In other words, we import one million barrels and export one million barrels. So our imports and exports of crude petroleum are equal. Therefore, Madam Speaker, in reality we are self- sufficient in oil and would face no problem if this government and the provincial governments would make certain that transportation facilities will carry these reserves to all parts of Canada. The propaganda that Canada had an oil crisis, as I have said, was manufactured by the government to cover up for its ineptitude, procrastination and vacillation.

Those who oppose foreign capital coming into the resource industry are the first to cry blue ruin when there is a shortage. You cannot develop this type of industry without large pools of capital. Everyone seems frightened to say this, but I am not: if it had not been for United States capital and know-how at the beginning, in 1947, Alberta would not be in a position today to supply 86 per cent of domestic Canadian crude petroleum needs and, in addition, export one million barrels a day. We must always remember—I say this without criticism—that the money to develop these fields of oil did not come from St. James Street in Montreal any more than it came from Bay Street in Toronto. The money came from a foreign source to begin with. We were as poor as any other non-producing province until Leduc No. 1 was drilled in 1947. The development took place ten years after a world depression, at a time when Alberta could not meet even the interest of its bonds.

In other words, all the finance ministers were told that the western world must come to grips with this problem or we would definitely be in a serious recession or depression. It is regrettable that a country which continues to build reserves by developing the tar sands and encouraging continued exploration within provincial borders and the Arctic is following a policy of overkill in development. The OPEC price will only be reduced when countries like the United States, as the hon. member for Nanaimo-Cowichan-The Islands said today, find alternatives to crude petroleum and, indeed, natural gas.

This does not mean that a worldwide economic slump is unavoidable. But it does mean that there is no single, simple solution, and from what I have read, and according to what independent financial experts in the world say, the answer for Canada lies in exploration and development in Canada. If we had ample supply at a time of shortage, then for the first time we would be able to outcompete our competitors. This means a great deal, particularly to the province of Ontario which is the industrial centre of Canada and which has transformed us from an agrarian nation to an industrial one.

All the beautiful arguments about the constitution may contain many high-sounding phrases, but I have found that in the field of constitutional law, constitutional tribunals legislate by interpreting words to fit the social, economic and political conditions of the time. Therefore, precedents and constitutional law are of somewhat limited value.

I should just like to refer briefly to two other matters. Some 39 rigs and 250 crewmen left Canada this year in response to the great demand in the United States and the

Middle East. One has only to read what Mr. Thomas Kennedy wrote in the *Globe and Mail* to learn how many drilling rigs are leaving Canada because of the overkill to which I have referred. They are going to the United States, Alaska, the North Sea and elsewhere. Our enemies—I mean our political enemies—will in the future be able to rise in this House and say that we are now in short supply because of the short-sighted policies of the government. Preliminary statistics as at the end of September indicate that 2,967 exploratory and development wells were completed in western Canada, including the Arctic, for a decrease of 245 from the first three-quarters of 1973, and there was a decrease in footage to 10.6 million feet. Those figures speak for themselves.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. member, but the time allotted to him has expired.

Some hon. Members: Continue.

The Acting Speaker (Mrs. Morin): Is there agreement that the hon. member should continue?

Some hon. Members: Agreed.

Mr. Woolliams: I have only a few more points to make regarding what I think the government should be doing, and I thank hon. members for giving me this opportunity. First of all, we must make certain that our corporations are good citizens. On the other hand, we should stop flogging business for emotional vote-getting. One thing of which I am confident is that corporations are here to stay. Farm-out agreements with corporations in communist countries are common. In fact, the leader of the provincial Liberals in my province, who runs an oil company in Alberta, has farm-out agreements with communist countries and he described them to me when we were playing golf.

Mr. Macdonald (Rosedale): How is his golf?

Mr. Woolliams: To digress, I must say he is a better golfer than I am. Canada cannot, and will not, destroy these corporations. Our rules should be set up and shaped in such a way as to make certain they offer these corporations incentives in a competitive world to continue their development and exploration operations. The federal attempt to tax every barrel of crude petroleum, taking into consideration royalties in the calculation, means tax upon tax, and this must be abandoned. Section 36 of the act must be modified so that the federal government does not have the power to control supply, price-setting, and so on, without consultation with and agreement of the provinces. In addition, I think a North American conference should be called in order to have either formal or informal discussion of the best ways to develop and explore our resources and, indeed, find alternative crude petroleum on the North American continent. We must remember we are in competition with the European Common Market and the Asian bloc.

Lastly, the subsidy paid to the provinces which are importing crude petroleum should, in my opinion, come from the taxpayers' federal treasury, instead of the government continuing to gouge revenue out of one or two provinces. I end on the words I used in starting. I thought the greatest statesmanship was shown when the provincial premiers came together with the Prime Minister and his ministers to work out a deal to sell oil at $4 a barrel less than the price of the same oil in the world market. I could not help thinking of the bigotry of some people when I read the following in a leading newspaper recently:

> If Alberta can exploit the accident of geological history that left much of Canada's oil and gas within the boundaries of the province, then surely it cannot complain when central Canada exploits the accident of Canadian history that gave it sufficient political power to dominate federal politics and determine that national policies shall favour the east.

● (1430)

That is real bigotry, because we reached a compromise with the rest of Canada to make sure that this nation would get its energy at a proper and equitable price. I have enough faith in this country and in the provinces of Quebec and Ontario to say that they have not, to my mind, ever deliberately used the power that has been given them to break up and destroy confederation. The answer today may lie in energy to help this great nation build together for the future. I thank hon. members for giving me extra time and I say it has been a pleasure to talk to hon. members this afternoon.

Mr. Maurice Foster (Parliamentary Secretary to the Minister of Energy, Mines and Resources): Madam Speaker, I am very happy to have the opportunity to speak to Bill C-32, the Petroleum Administration Act. I was very interested in the comments of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). I think the wind-up statement by the hon. member for Nanaimo-Cowichan-The Islands, when he spoke about the energy issue as perhaps being the most important to be decided in this session of parliament, was very true. The energy policies we adopt in the next few months or the next year or so will have a very important effect on our life style, the growth of this country, our attitude toward growth and our ability to compete in the world marketplace. I was pleased to note, as well, that the hon. member agreed with most parts of this bill. Most of the remainder of his speech seemed to me to deal with other matters which are important, but outside the scope of the bill before us this afternoon.

I listened with great interest to the hon. member for Qu'Appelle-Moose Mountain, for two reasons. I lived for a few years in his constituency, and know what a fine constituency it is and the importance of that part of Canada. I listened, also, because that hon. member has a reputation in this House of being a man with ideas and I wanted to see what new ideas he would bring before us. It seems to me that a couple of his ideas were not altogether accurate in respect of this bill. He suggested that the former bill which this one replaces, Bill C-18, was a much more temporary measure that would be phased out automatically. As I read it, that is just not the fact. There was no time limit or specific time when Bill C-18 would pass out of existence.

The hon. member also suggested that Bill C-32, the one before us, was a whole new ball game and a completely different bill. I submit that nearly all its features, includ-

ing the export charge, the oil pricing system, the system of restraint on oil prices, the compensation program and the administration of the act are basically the same as those in Bill C-18, with only the addition of gas pricing and the procedure of compensation features of this bill being new. Even here, the principle of restraint in gas pricing and the prescribing of a gas price is the same as that outlined in Bill C-18 in respect of oil.

It seems to me that the hon. member was agreeing with the idea of cushioning the transition to higher prices for oil which are prevalent in the world today. The hon. member for Qu'Appelle-Moose Mountain said something to the effect that the government was moving rapidly, in a blundering way, in the direction of price and wage controls. This bill as it relates to oil pricing, export tax and compensation was before the Canadian people at the time of the July 8 general election. The government's policy on oil pricing was consistent before and during the election campaign, and it has been consistent since the election. I am not sure which side the hon. member was on in the debate that took place within the Progressive Conservative Party as it related to wage and price controls. However, I would not think any member of the official opposition would want to talk very loudly about blundering in respect of wage and price controls.

The hon. member seemed to be especially concerned about consultation in the establishment of prescribed prices for oil and gas. As I read the bill, part II, division I provides for this when it speaks about "mutually acceptable prices" between the Minister of Energy, Mines and Resources and the producer provinces. It goes on, in the second part of that division, to talk about reciprocal orders in council to implement these prescribed prices. It seems to me that this government has shown that consultation does not rest just at the official level or at the level of cabinet ministers, but extends right up to the first ministers of our country. This was amply demonstrated in the agreement on oil prices reached by the first ministers last March; also this week during the consultation on other important matters relating to our economy.

Let us consider this proposed legislation in somewhat broader perspective. The world energy economy is undergoing a traumatic adjustment process to a new set of economic and political realities. These are relatively unchartered waters, and bold and imaginative responses are required from governments, industry and individuals if we are to ease the transition to a new energy environment. Most members are aware of the many facets of this new environment, which include a quadrupling of international oil prices in less than one year; a correspondingly large transfer of wealth, about $100 billion, annually to a small number of oil exporting nations; increases in demands for aid from the less developed parts of the world; the possibility that overseas oil supply could be disrupted at almost any time, for political reasons.

In response to this environment, most oil importing nations are seeking a more rational use of energy in an effort to reduce demand, and at the same time are endeavouring to encourage increased production from indigenous sources. If successful, both measures would, of course, serve to reduce dependence upon imported crude oil. At the same time, international financial institutions are trying to devise arrangements to channel the greatly increased wealth of the oil exporting nations to imports of industrial goods, to develop and diversify the producing nations' economies, to aid for developing countries, and to international capital markets in an effort to ease the strain on the already precarious balance of payments positions of many oil importing nations. Unfortunately, efforts to reduce the high, worldwide rates of inflation—of which greatly increased oil prices is one contributing factor—have to date met with very little success.

Among the industrialized nations of the world, Canada is in a relatively favoured position in this new energy environment because of our self-sufficiency in petroleum. However, our resources, for the most part, are located in western Canada, while the large consumption centres are in eastern Canada, necessitating long distance transportation systems. In order to economize on the cost of moving oil to markets, it was advantageous to export some of our petroleum production to markets in the United States while importing oil from markets east of Ontario.

● (1440)

In 1973, petroleum accounted for approximately 5 per cent of the volume of Canada's merchandise exports. In 1974, as a result of higher export prices, it is expected that this proportion will increase to over 10 per cent. Imports of petroleum roughly balance our oil exports, resulting in no net balance of trade implications. However, since we are net exporters of natural gas, as gas increases in market value following oil prices we can expect a significant increase in export earnings of roughly $10 million annually for each cent per thousand cubic foot increase in the border price of gas.

Petroleum and gas are also very important commodities in interprovincial trade, and will probably amount to $2.5 billion in 1974. The Canadian energy economy, therefore, bears a similarity to the world energy economy: oil and gas in Canada are the most important sources of energy, accounting for almost 80 per cent of energy consumed; the oil and gas resources are located a considerable distance from major consuming centres, resulting in significant trade between producing and consuming regions; and the producing regions desire to use the wealth derived from the exploitation of their non-renewable resources to further diversify and industrialize their economies.

However, we must recognize that if Canadian oil prices were to track world oil prices, severe strains would be forced on our national economy similar to those now facing the world economy. For example, if domestic oil prices had not been held at several dollars a barrel below world prices, Canadians could be experiencing a rate of inflation perhaps 2 per cent higher, and fuel oil prices might be as much as 15 cents a gallon higher than current prices. In addition, severe financial imbalances could have arisen between our producing and consuming regions, which might have imposed serious strains on our confederation.

We recognize that oil and gas prices must increase from the low levels to which we have become accustomed, first, if producing provinces are to secure an equitable return for a non-renewable resource and, second, to encourage the development of our frontier oil and gas resources in

order to ensure sources of supply in the future. Third, they must increase in order to discourage the continuation of wasteful consuming practices in respect of our energy resources and, fourth, in recognition of the fact that Canada is an open trading nation who cannot isolate herself, for any extended period of time, from the international environment. We also recognize that prices should not be allowed to increase in such a way as to put our primary and secondary industries at a disadvantage in relation to their competitors, particularly in the United States where oil prices are lower than international levels.

Fortunately, Canada's unique position permits, us, within certain limits, to control our own destiny in regard to the development of oil, gas and other energy prices. Canadian consumers and industries can and will adjust to higher energy prices by, first, better insulation; second, smaller-engined automobiles; third, more efficient energy conversion equipment in factories; fourth, greater use of public transportation systems, and so on. But it takes time to effect many of these changes, It therefore appears prudent for Canada to follow a course of moderation in the transition to higher prices, thereby reducing the social costs and political strains associated with the necessary adjustment to the new world energy environment.

This principle was recognized and accepted by the first ministers last spring. It has been implemented in a manner which minimizes the financial burdens within the economy and cushions the impact on consumers, private and commercial, without ignoring the legitimate interests of the producing provinces. For example, revenues accruing to the Alberta treasury are expected to increase by nearly $1 billion over the level of oil and gas revenues received in the last fiscal year.

In my opinion, Bill C-32 is essential to implement the principles agreed to by the first ministers. Part II provides for an oil pricing agreement between producing and consuming interests in this country. The power to determine maximum oil prices by the federal government acting unilaterally would only be invoked as a last resort. Part III stipulates similar pricing provisions for natural gas. Part I of Bill C-32 will ensure that the difference between Canadian oil prices and the just and reasonable price for that oil in the export market will be appropriated by means of an export charge, while part IV will reduce the cost of imported oil to Canadian consumers so as to achieve oil pricing equality across the country.

Part IV would also provide for compensation of the additional transportation costs that might be incurred in moving western Canadian oil to eastern markets in the event of future disruption of our imported oil supplies. Part V of the bill will empower the minister to undertake certain administrative functions essential to an efficient and tidy management of the act. Therefore, Mr. Speaker, I support the passage of Bill C-32 for the role it has to play in the development of sound energy policy, and the opportunity it affords Canadians to be masters of their own destiny during this difficult transition period.

Mr. Robert C. Coates (Cumberland-Colchester North): Madam Speaker, it is a treat for a member who has been in this House as long as I have to be able to look at such a pretty face when making a speech. If this is part of the women's liberation movement, then I am in favour of it.

As the previous speaker indicated when he began his remarks, this is a critical situation within our nation because there is a real and present danger to the world as a result of the events associated with the distribution of world energy resources, more especially in relation to oil. Because we are a fortunate nation with what appear to be more than adequate resources, both now and for the foreseeable future, our plight is possibly not as serious as that facing other parts of the world.

However, there is a serious situation because many of the known resources of oil and gas are located in one part of the nation and, as a result, the whole nation cannot readily secure any advantage from these resources. Therefore, somewhat complicated but acceptable solutions have been worked out. Up until now we have been exporting part of our resources to other parts of the world, while at the same time we have been importing the same amount from other parts of the world. Agreement to this sort of arrangement was not a problem for the nation until last year, when the world faced skyrocketing increases because of certain external actions taken mainly by the Arab oil producing nations. These increases were followed by a similar type of escalation in the cost of oil by the South American countries, one of our major sources of supply.

● (1450)

The solution to the problem, which is partly contained in this legislation so far as the federal government is concerned, is very complex and carries with it some serious complications from the strictly Canadian point of view. I say this because it will produce a great many altercations between the federal government and the provincial governments. These must be solved in a manner wherein both the parties, and the public in general, are protected. At the same time, we must not leave scars on the constitution which will be impossible to remove in future negotiations between the federal government and the governments of the provinces.

The speeches today have outlined, in a good deal of detail, some of the complications associated with this legislation, as well as some of the things that have already happened. Some of the things that have happened give every parliamentarian, whether he be associated with the federal parliament or one of the provincial legislatures, a great deal of concern for the nation. We are concerned about the nation being able to stay together in face of what appears to be, on the surface, in this legislation substantial intrusion by the federal authority into the provincial realm. One thing that amazes me is that federal politicians should be expressing almost greater concern about what is happening at the moment than is indicated by the provincial premiers. It almost seems that the provincial premiers are more anxious to let those who are feeling the brunt of the federal decision carry the burden, in the hope that it will not happen to them. But as the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) pointed out in his speech, what may be a problem for Alberta and Saskatchewan today could very easily be a problem for Ontario and Quebec tomorrow, and the day after that it could be a problem for Atlantic Canada.

So while I am rather hesitant to put forward my concern, as a federal politician, for some of the problems faced

by provincial governments, at the same time I feel it is absolutely necessary that I place before the minister some of my concerns, as a member of parliament from the Atlantic provinces, regarding what I anticipate may be a far greater problem in future because of what is now happening in my part of Canada. It is very obvious to me, and I am sure to the minister and to members from Atlantic Canada, that we are slowly but surely reaching the position where we will become one of the great oil and gas producers, not just of this nation but of the world. It could well be, as the result of strikes that have been announced in recent weeks, which I am sure will continue to be announced in the days ahead, that offshore Atlantic Canada holds the same kind of riches as those discovered in the North Sea.

As a result, it is imperative that a number of things be done by this government, including allowing the resources of the areas in question to flow to the provinces in which they are found, and to be under their jurisdiction as far as rights and benefits are concerned. This has not been the case up to now, and if this legislation is put into effect it may not be the case in the future. I think that in many ways this legislation poses threats to Atlantic Canada, just as it poses threats to the western provinces which are oil and gas producers at the moment. One thing that impressed me in the speech of the hon. member for Qu'appelle-Moose Mountain and that of the hon. member for Calgary North (Mr. Woolliams) was this: up to this moment, Alberta and Saskatchewan, in the main, have provided benefits out of the revenues obtained from their resources to the tune of $3 billion annually. They have done this in order to establish in Canada a single price for oil and gas.

Far too often during the past year the governments of those two provinces were made out to be gougers of the Canadian public, while in fact they have displayed generosity never before asked of a provincial government in providing their resources at a far lower price than could have been obtained under past arrangements. It is an extreme price for Saskatchewan to pay because—like most parts of Atlantic Canada—they are a have-not area and must value every dollar they can get their hands on, by whatever means available, in order to uplift the economy and improve and the lot of their people.

We, in Atlantic Canada, have a special interest because, although for a long time we have been one of the unfortunate parts of this nation, there are many indications, going well beyond the discovery of oil and gas off our shores, that we will become the power-house not just of the eastern Canadian seaboard but of the whole of North America, certainly the eastern part. We have established power resources associated with Brinco. We have the anticipated power developments associated with the Fundy tidal power, coupled with the move, now, by the government of New Brunswick into the nuclear power field. All this indicates that we shall certainly be a power-house for eastern Canada and the northeastern United States and, with a proper national system, we could be a power-house for the whole of Canada. Because of this we must look very carefully at any piece of federal legislation which in any way tries to take over what has been firmly established as provincial jurisdiction. I refer to jurisdiction over resources.

[Mr. Coates.]

● (1500)

Yet, time after time the minister has made statements to the following effect: that it is of the utmost importance for the federal authority to be given firm control over our resources and the final say with regard to how our resources are to be developed and used. For instance, as recorded on page 914 of *Hansard* for October 31, 1974, the minister said:

> We are . . . affected by this change in the world situation and we wish to play a constructive role as a member of the international community while at the same time taking action to protect ourselves.
>
> I have referred to the international action being taken. In the bill before us this afternoon we are dealing with domestic action contemplated to protect ourselves in this new situation. Bill C-32, the Petroleum Administration Act, is intended to provide the federal government with a statutory basis for the management, necessary in the interests of all Canadians, of important areas of international and interprovincial trade in petroleum and natural gas. Enactment of the legislation is essential if the government is to have the means to continue to guide the Canadian energy economy safely in the present turbulent global oil environment.

In other words the minister says that because the world is turbulent, the government will assume full jurisdiction over our resources, even though such jurisdiction from the constitutional and legal point of view has been vested in the provinces.

The minister went on to say:

> —perhaps the central feature of our oil and energy policy relates to the pricing of domestic crude oil.

Then he said that the department will continue to refine and develop assessments of the net price necessary to "attract the capital trained manpower and technology" which will be needed if our energy resources are to be developed. This, according to the minister, will "provide the supply we will need in the future." In other words the government will determine what the supply is to be. The minister went on to say:

> The social aspect consists primarily in finding a position of equity between the needs and interests of consuming and producing provinces in relation to the return which is necessary to justify the exploitation of this non-renewable resource.

The minister is suggesting that it is equitable to allow Alberta and Saskatchewan, our major oil producing provinces, to contribute between $2.9 billion and $3 billion to this country. The government is being very generous. I wonder how long the governments of Alberta and Saskatchewan will think this state of affairs equitable. How long will the people of those provinces be willing, in the name of equity, to provide this kind of money from their treasuries? Nova Scotia may think this state of affairs equitable, as will Ontario. The question is: will the people of Saskatchewan or Alberta for very much longer go along with this idea of equity? What is happening may be necessary in the short-run in order to protect our consumers, but we should not expect one part of the country to support another part for very long, especially as we are dealing in non-renewable resources for which there is no tomorrow, there being no replacement for them.

Let me now speak of off-shore resources. For a long time we have tried to resolve a recognizable problem regarding jurisdiction over off-shore resources. Agreements of one sort and another have been negotiated over the years. In this connection may I refer to an article in the "Journal of

Canadian Studies" written by Hal Mills, who said on page 57:

> The offshore mineral rights dispute has been an overt one for over nine years, and has gone through five major stages, with an acceptable solution still to emerge. The foregoing history of the controversy leaves little doubt as to the prevalence of stages of deadlock, as well as the ill-will and resentment engendered throughout. If the total complex of federal-provincial relations is to be of a continuing and effective nature, one must expect individual conflicts, such as the offshore mineral rights dispute, to be resolved with a maximum of speed and a minimum loss of goodwill between participants at both levels of government.

The dispute continues, without sign of resolution. Indeed only the Premier of Newfoundland seems willing to stand firm and fast in his belief that his province owns the right to all resources offshore Newfoundland. Similarly, I and my leader believe that Nova Scotia has the right to 100 per cent of the benefits associated with the resources off our shores. The same may be said of all five eastern provinces. Yet there is no indication that the government is willing to do today more than it was willing to do nine years ago, and concede to the peoples of the areas concerned the right of offshore resources and the benefits associated with their development.

There is a real danger that we cannot get our resources developed because the government will determine the price of our resources, a price which may be far below that available internationally. As a result, prospects for exploration and development will go out of the window. Machinery for development is already moving to other parts of the world where economic prospects are better than in this country. So long as we depend on money, those engaged in exploration will go where they can make most of it.

The hon. member for South Shore (Mr. Crouse) has handed me a recent copy of *Financial Post* which contains this headline: "Oil-sands withdrawal comes as a bombshell." I point out that "bombshell" refers to Shell Oil Company. The text says that the Shell Oil Company's decision to withdraw from its 50 per cent holding in Shell's Athabasca oil sands project hit Calgary like a bombshell last week. I can only say that if the government continues on its present course we shall see many such statements. We are bound to see money for exploration leaving this country and heading for the North Sea, the South Pacific, as well as other places.

Atlantic Canada needs massive development if its people are to have some prospect of the sort of life which was anticipated would be theirs when they became part of this nation in 1867. This development has not taken place, and we have less chance every day that the government holds off, or because of this or that action that has been taken to eliminate this or that opportunity for us. There is no doubt that the rich get richer and the poor get poorer. That seems to have been the policy of the government since it has taken office.

● (1510)

In the days of the Diefenbaker administration we had one policy after another which enhanced the opportunities of our people. It gave us at least a hope of catching up with the rest of the nation. However, those actions have been destroyed on the altar of expediency to benefit the provinces of Ontario and Quebec, especially Quebec.

It is very difficult for our people to look at confederation today and feel they have an even chance or an even break. That opportunity is just not there. If Fundy tidal power were located in Ontario or Quebec, it would have been developed 20 years ago. We are still waiting. We are waiting either for translators or someone else to tell us that the government is going to order another study, or do something else, before it can take a serious look to see whether something can be done about this project.

The people of Atlantic Canada are in the same boat with regard to offshore resources. We have asked for equity, justice, and a right under the constitution. We asked the government to do as much for us as was done for other areas of this nation when they were allowed to increase their boundaries and pick up rich resource land. The government says it wants to talk more. It does not believe we have any more right to those resources than anyone else in Canada. That could be true if every other part of Canada had been treated the same since the beginning, but that is not the case. Other parts of this nation were allowed to expand their boundaries. We believe we have a right to expand ours.

If Nova Scotia is going to extend its boundaries they will have to be extended under the sea because there is no more land available on top of the sea. Our party has recognized that province's right and our obligation. We recognize the fact that we should assist Atlantic Canada, not with half-baked schemes produced in ivory towers in Ottawa, but with development of resources that exist in our area to give our people equal opportunity. I am fearful that if the government moves in with the big grab that is associated with this legislation, takes the power away from the provinces and takes the resources or control of them away, then we in Atlantic Canada will have little hope for the future. Indeed we will have to accept the fact that we are going to be second-class citizens for as long as this government holds office.

Mr. Paul E. McRae (Fort William): Mr. Speaker, it is a pleasure to speak on Bill C-32 for at least the second time. A similar bill was dealt with in this House and in committee last April. However, an election and other things intervened.

This is an important bill because it puts together some of the essential components of a national energy policy. I am referring to a single, equitable, reasonable price across Canada.

I find it very difficult to follow the reasoning of the hon. member for Cumberland-Colchester North (Mr. Coates). He talked about the hardships of the eastern provinces, which I fully understand. However, this bill in effect sets a fair price of $6.50 a barrel for oil, plus transportation, for all of Canada.

Mr. Stanfield: Nonsense.

Mr. McRae: It is about $4 or $5 cheaper than the world price. Eastern Canada is traditionally served by the world market. This is a way of subsidizing eastern Canadians and of having a considerably lower price in the maritimes.

This bill, which secures this single, fair, equitable price was fought out between the Prime Minister (Mr. Trudeau) and the premiers of the provinces. I think the price of $6.50 is fair. I do not feel the federal government could go beyond that price. If more demands had been made and, if it had been impossible to agree to something more than this, we would have had to go to a national marketing board or something of that nature.

The have provinces, in terms of oil and natural gas, have made some concessions in connection with this bill. With some of these concessions there has to be a quid pro quo, particularly in the area of transportation. There must be a complete reworking of our transportation policy which will favour areas other than Toronto, Montreal and Ottawa. That is part and parcel of the quid pro quo for this price which is certainly $4 or $5 below the price on the world market.

There are three major areas in terms of an energy policy for this country that we must consider. There is the single, equitable, reasonable, fair price, something I feel this bill achieves. The second is that there be a larger Canadian component, with greater Canadian ownership of our resources. This is something we must work at, Mr. Speaker. There will soon be some action on this front with the setting up of the Canadian Petroleum Corporation. The third, and perhaps the most important, is having a secure supply of all forms of energy. Canadians need to be basically self sufficient and have a secure energy supply for a long period of time. In this whole notion of secure supply there must be some kind of levelling of demand in order to equate supply and demand. We cannot always have supply chasing demand.

I wish to deal with some of the long-term problems in terms of oil and gas, our energy requirements, and some concerns I have about achieving a secure supply, pricing and everything else that goes along with it. If we are to believe those who speak with authority in this energy field, we have to accept the fact that Canada is going to require investments of up to $100 billion in the next 10 to 15 years.

It is estimated the James Bay project will cost something in the order of $12 billion. There is an application for a Mackenzie Valley gas pipeline that will cost $6 billion plus. There is the possibility of a Mackenzie Valley oil pipeline. The United States government has been and is talking about this. It will cost between $8 billion and $10 billion. Massive investment will be required in the Athabasca tar sands to maintain a supply situation in oil. Each plant would cost about $1.5 billion, and anywhere from 15 to 20 of these plants would be needed in operation by the end of the eighties. So we are talking here about another $30 billion or $40 billion; the estimates I have seen could add up to around $100 billion.

● (1520)

I am concerned when I hear the press talk, rather lightly, about the desirability of establishing another nuclear enrichment plant. What would be the cost? Around $2 billion? This is not taking account of the extra billion dollars or two billion dollars required to provide the necessary 2,000 megawatts of power. We must consider the effect of these investments. How great are they to be, and what distortion effects can be expected from them? There are three areas of danger, and I am not dealing now with the environment, the effect upon native peoples, and so on, important as these aspects are.

First, we should consider the effect upon capital flow itself. What would be the effect upon our economy and upon our currency of a massive capital flow from the United States or from Japan? If the capital comes mainly from sources within Canada, what would be the effect in terms of our ability to accomplish other tasks?

Specifically, if we pursue the James Bay project at a cost of $12 billion and simultaneously the Mackenzie Valley oil pipeline scheme at a cost of $8 billion, where will the bucks come from to build houses? We have to take into account the effect on the Canadian dollar itself. What happens to the pulp and paper industry if the value of the Canadian dollar is forced upward by a massive inflow of capital? I come from the city of Thunder Bay, which is tremendously dependent upon sales of pulp and paper and is greatly concerned about markets for this product.

We should also be concerned about the consequences of selling our energy. If Japan or the United States buy increasing supplies of our energy will they be able to purchase, in addition, manufactured goods which we are capable of supplying? Or do we become more and more hewers of water?

Mr. Nystrom: How do you hew water?

Some hon. Members: Oh, oh!

Mr. Ellis: Have you ever tried hewing water?

An hon. Member: I should like to see you do it.

Mr. Nystrom: That's a job description for you.

Mr. McRae: I put the two, water and wood, together. At the rate we are going we will soon not have any wood left.

I am really concerned about this distortion effect. Those responsible for policy should look at our long range objectives in two ways. First, I do not think we can continue to respond affirmatively to requests for this project or that project. The time has come for decisions to be taken as between alternative projects. For example, is the polar pipeline a more sensible approach, or should some other project be preferred? Are there inter-modal facets which ought to be considered?

When we are considering the supply of gas, should we also be considering coal gasification? I believe we should. People to whom I have spoken, people who know something about these things, believe there is a great possibility here, and that the technology is not very far off. I believe we must make a choice between the various projects open to us. If we seek to do all of them at once I believe other important sectors of the economy will be neglected. I think, too, the provinces must realize that they, too, cannot enter upon projects of this scale without some kind of general consensus being reached. For example, aside from its effects on the native people, how far should the James Bay project go? It looks as though James Bay power will be very expensive; a nuclear alternative

would be a great deal cheaper, it seems to me, judging from the figures I have been able to find.

Even more important is the whole subject of energy conservation. We see demand curves which follow an extremely steep slope. The supply curves for almost all the energy commodities which one can think of, cross at some point in the eighties. At some point we shall be bound to reduce the slope of these demand curves. Sustained growth in the energy area cannot be maintained along present lines. Thus it seems to me that one of the main components of the supply situation is our success in getting the demand curve to level off so that supplies may, at least, be secure.

I should like to discuss one or two possibilities in the field of conservation. First, I should like to see studies conducted to show, as I am sure they would, that money spent on conservation would result, dollar for dollar, in more energy than money spent on exploration and other development. Those who are concerned with conservation should be placing the results of such studies before us.

One area which should be examined closely is that of transportation. There is no question that there is a great demand for a satisfactory public transportation system, something which would in itself tend to conserve energy. From the point of view of conserving energy, ground transport is vastly more efficient than transport by air—the factor is something like ten to one. This is particularly the case when short journeys are made, because most of the energy used by an aircraft is used in getting the plane up to 25,000 feet.

It seems to me we ought to move rapidly to establish better ground transportation facilities between Ottawa, Toronto and Montreal, large communities which are relatively close together. My own feeling is that projects such as the Pickering airport might not be needed if we adopt improved ground transportation as an alternative to air travel.

● (1530)

We live in a country which, in the past, has fortunately been blessed with very cheap energy. We find energy more costly today, it is becoming scarce, and we should begin to think of building our houses in such a way as to conserve a great deal more energy. For example, we could use solar experiments, locating our houses to benefit from solar heat. Different methods of insulating are called for also. These are two aspects that we could explore, but it is extremely important that we do everything we can to flatten out the demand curve.

Then we should insist that the automobile manufacturers in this country produce automobiles that will get a minimum of 20 miles to the gallon. No car should be built today that does not get that mileage. Mention was made in the budget of taxing large cars. I think the tax should be contingent upon mileage. If a car can deliver only 12 miles to the gallon and is certified as such, a heavy tax should be placed on the car. We must make every effort to get cars with good gasoline mileage.

I think that if time, effort and money are spent on conservation we will avoid some of the massive problems that will confront us if we decide within the next ten years to commence huge projects costing $100 million. As I have said, if we pursue the idea of massive energy investment and our energy growth continues in the way it is today, then we will create tremendous distortions in our economy, indeed in our whole way of life.

Therefore, I suggest we look at these individual items, decide which are the important ones, and develop priorities. These priorities must be national in scope; it must not be a case of one province wanting to do one thing and another province wanting to do another. Secondly, we should spend a lot of money to convince all Canadians, through advertising and in any other way, that some kind of slight modification of our lifestyle is going to be required if we are to continue living in harmony with our environment in this country.

Mr. Jim Balfour (Regina East): Mr. Speaker, the bill before us is, in essence, a resurrection of the petroleum administration bill of the last parliament, and to the extent that the oil omnibus bill duplicates its predecessor, it also inherits its faults. To the extent that additions have been made, the government has simply gone further in its assault on provincial jurisdiction over natural resources. The new measures concerning gas pricing do nothing to mitigate the war of nerves being waged between Alberta and Ottawa. The overt refusal to consult and to conduct serious negotiations with the energy producing provinces serves only to further alienate them and to drive a negotiated solution further out of reach.

This legislation further reflects the Liberal government's propensity to increase its power ambit under the guise of emergency powers, by enacting measures to be used "in case an agreement cannot be reached". More specifically, what is offered here is legislation that would give the government the unilateral power to set natural gas and oil prices nationally, but outside the borders of the provinces where the energy is being produced.

Let me say to the minister through you, Mr. Speaker, that to ensure that domestic natural gas prices do not jump drastically next fall, but increase in stages over a reasonable time frame to price levels competitive with the domestic oil price, seems to be a rational objective. But the methods herein proposed are draconian. I believe strongly, and our party has always stated, that an agreement on what constitutes a fair price should be arrived at by the process of negotiation, and only then should we attempt to stage increases over a reasonable period of time to ease the impact on Canadian consumers. There has been no indication that any let alone all ten provinces have agreed with Bill C-32's provisions.

The minister admits that Alberta has already warned that it would oppose any federal government action to exercise jurisdiction over natural gas pricing, and the signals are clearly out that a further round of charges, counter-charges and confrontation between the governments involved will ensue, leaving a further legacy of bitterness and sense of alienation in its wake.

The minister has attempted to placate the voices of opposition members by pointing out that if Ottawa and the provinces are able to agree to a staged increase over the next few years, to cushion domestic consumers, the federal legislation on gas pricing would not have to be used. In fact, however, domestic gas prices are scheduled

to jump 22 cents a thousand cubic feet today under new gas rates approved by the National Energy Board last week. Furthermore, under Alberta law gas selling prices are scheduled to be revalued again next year.

Instead of waiting until after further discussions with Alberta on the matter, which I understand are scheduled for November 12, the minister wants the Commons to approve his legislation and grant him these extensive powers at once. How can meaningful, good faith negotiations take place when the minister has in advance armed himself with the power to legislate an agreement? In addition to this objectionable aspect, the proposed legislation also allows the federal government to determine how extra revenues from increased gas prices should be distributed between producer, transmission companies and governments.

It is not an overstatement to say that this bill is an assertion of almost total authority and control over petroleum resource development in Canada, and as such flies in the face of our constitution and historical provincial prerogatives.

On the whole question of petroleum pricing I would commend to the minister for his serious consideration an observation made by C. E. S. Fraser in an article on energy published in the Queen's Quarterly last summer. He said:

> Over the long run, it is unlikely that Canada can, and undesirable that Canada should, remain an isolated oasis of cheap petroleum.
>
> Proper analysis suggests that oil and gas are not so cheap or so plentiful in Canada as some politicians appear to believe.
>
> The real value of Canadian petroleum supplies is that they can stabilize short-term fluctuations of supply and cost, and in so doing reduce the harmful effects of the inevitable but painful readjustments of world energy industries during the next half century.

But, Mr. Speaker, important as the constitutional questions raised by this legislation are—and they are of fundamental importance—I wish to discuss another matter of even greater concern to the people of Canada, namely, the question of security of supply.

Two years ago Canada possessed a domestic petroleum industrial organization in which she could take great pride, an industry comprising over 300 separate producing companies and which, in the preceding 20 or so years, had grown and developed from relative insignificance to a threshold of strength and competence which rendered it able to operate in competition throughout the world. Plans were afoot in terms of additional development of our domestic petroleum resources, including the tar sands and the transportation facilities incidental to these, that would have assured the Canadian consumer of uninterrupted supplies of oil and natural gas for decades to come. The task was neither easy nor cheap in terms of the capital required, but the goal was attainable.

What is the situation today? Recently released statistics on drilling and exploration activity in Canada are cause for real concern. I suggest with all sincerity to the minister that he is over-sanguine in his response to this situation and these trends which, if not reversed, will create in five or ten years in Canada the same kinds of supply shortfalls now being experienced by our neighbour to the south, but with an impact on our society, if only by reason of geography, far more serious in nature.

[Mr. Balfour.]

During the next 20 or 30 years and beyond, the problem in Canadian petroleum policy, at least as much as keeping prices or the federal-provincial distribution of revenues down, will be to mobilize the investment and resources needed to develop our reserves. But instead western Canada's drilling activity is experiencing a serious decline, brought about by the sense of doubt, uncertainty and insecurity felt by the Canadian petroleum industry as a result of the moves and countermoves of federal and provincial governments in the last 18 months or so.

● (1540)

The number of wells completed during the first nine months this year was almost 8 per cent below the same 1973 period, and with the continuing emphasis on shallow gas drilling footage was down 10 per cent. With the likelihood of this trend continuing into the final three months, the tally for 1974 will be very close to 3,900 wells completed and 13.9 million feet of hole drilled, compared with 4,390 wells and 15.9 million feet of hole last year, a level of activity only slightly above the level of 1972.

Preliminary statistics compiled to the end of September indicate a total of 2,967 exploratory and development wells were completed in western Canada, including the Arctic, for a decrease of 245 from the first three-quarters of 1973, while footage was off 1.2 million feet to 10.6 million feet. This disappointing decrease in activity was reflected in the average active rig count which fell to 155 units for the nine months, with a drop of 12 per cent from 174 rigs working last year. This represents a utilization of only 48 per cent of the 322 rigs available for work.

The number of rigs working in eastern Canada, Quebec, the Atlantic provinces and offshore averaged four compared with six last year. But of even more concern is the number of rigs being moved to the United States and Alaska, and in most instances the rigs are of deep hole capacity. A total of 39 drilling rigs has been taken out of Canada this year to work in the United States and overseas, together with about 250 experienced, competent and trained personnel.

While various reasons and explanations are offered for this exodus, it is my view, shared I believe by most knowledgeable people in this area, that the uncertainties over our taxation and energy policies in Canada, aggravated by the ongoing intergovernmental squabbling between governments on energy issues, is the main motivation for this seriously disturbing trend in our domestic petroleum industry.

The decrease in wildcat drilling was a disappointing 16 per cent, with 261 fewer tests for a total of 1,386, while the footage decline amounted to 12 per cent, with a drop of 778,600 feet to 5.7 million feet. A total of 122 oil wells were brought in, down from 147, while gas finds decreased by 18 per cent to 476, and abandoned holes were 130 less at 788.

There were 2,553 wells licensed in Alberta during the first nine months compared with 2,634 last year, and almost 80 per cent were located east of the fifth meridian, with development wells outnumbering exploratory tests 2.5 to 1.

In Saskatchewan the situation is even more alarming. The number of wells drilled in the first nine months totalled 220, compared with 410 a year ago, while footage

was cut almost in half to 530,000 feet against more than one million feet in 1973. There were 142 wildcats completed, 57 less than a year ago, accompanied by a 38 per cent decline in footage to 337,200 feet. Only 78 field wells were completed, 142 less than a year ago, with footage off 65 per cent.

The drop reflects the industry's reaction to the political initiatives undertaken by Premier Blakeney's government, with most of the ongoing drilling involving commitment wells. It is essential that the energy climate of Canada be stabilized if we are to again enjoy the benefits of a dynamic and vital domestic petroleum industry which, if given the opportunity, is capable of providing our country with the energy reserves required to maintain our place in the industrial world in which we live.

The suggestion that federal or provincial governments, by direct intervention and investment in the petroleum industry will contribute in a significant way to Canada's over-all energy position is, in my view, erroneous, and I am supported in that view by the policy document of the minister's own department published last year.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said Canadians should own and control their own resources. The Canadian people already own, either at the provincial or federal level, virtually all the oil and gas lands in this country and furthermore, the government possesses the power to regulate the terms of participation in development by private industry and to stipulate royalty rates and levels of taxation to be imposed on income produced therefrom.

I am at a loss to understand what significant benefits can be expected from the creation of a so-called national petroleum corporation in this country. On the other hand I am only too well aware of the negative factors involved, including discouragement of the private sector, wasteful dispersal of resources and talents already in short supply, and the enlargement of the bureaucratic establishment already overly large.

It would make far more sense, and be of greater ultimate benefit to the Canadian people for the federal government as an alternative to deploy the assets it intends to commit to the national petroleum corporation, to the research and development required to make available alternative renewable energy resources, a field in which the government's performance to date is, by comparison with other nations, lamentable.

The Montreal pipeline extension is another example of an over-complacent attitude on the part of the minister with respect to guaranteeing Canadians adequate supplies of domestic oil. I do not often agree with the hon. member for Nanaimo-Cowichan-The Islands on energy policy, but I share his view that the pipeline extension project should be undertaken as an instrument of national security with a serious sense of urgency and purpose now lacking, and if that requires, as it likely will because of the economics of the situation, government involvement or ownership, so be it.

I go further and suggest to the minister that he seriously study the possible benefits in terms of emergency supply capability of creating under public ownership facilities for the storage of a 60-day reserve supply of oil in eastern Canada. This type of initiative is being undertaken by the governments of other industrialized countries on a much larger scale, notably Japan, and is a policy option which I suggest deserves serious examination.

In conclusion I repeat my opposition to the elements in this legislation creating a unilateral price fixing mechanism over petroleum and natural gas. I underline my concern regarding long-term security of supply in this country in light of the demoralized condition of the industry, and I urge immediate federal government initiatives to effect the construction of the Montreal pipeline extension to ensure our capability to move 250,000 barrels of oil or more a day into eastern Canada, thereby reducing its dependence on foreign supplies.

Mr. Max Saltsman (Waterloo-Cambridge): Madam Speaker, this is a great opportunity for one of those five or ten minute speeches which comes before you see the clock. Therefore, I think I should say something about what has impressed me.

In listening to the debate to this point I was impressed by the sort of conciliatory tone of many of the members from western Canada. This is something very heartening to me, being from Ontario, as up until very recently whenever this subject of energy has arisen there was an obvious bitterness on the part of western members in the sense that they were being asked, on behalf of their provinces, to take less in the way of revenue than they felt they were entitled to receive.

As a person from Ontario, recognizing the substantial benefit we in Ontario are receiving because of the lower price at which we are able to obtain energy supplies from western Canada, I want to thank the people of western Canada. I appreciate that, and I think it is a good thing in our confederation that this kind of attitude prevails, once the quarrelling and argument are toned down.

It is unnecessary to remind people from western Canada that Ontario for a long time, in fact for 11 years under the national oil policy, was prepared to pay higher prices for energy in recognition of the fact that we needed to develop energy supplies and sources in western Canada. There was not very much grumbling about that. That was an expensive program for the rest of Canada. We have various figures in this regard, including those of the National Energy Board, which would indicate a cost to consumers in Canada of $500 million over the 11-year period. My calculations would show that it is much greater, something closer to $500 million a year, in other words 11 times greater, but I do not want to get into any arguments on that ground. I am simply saying this conciliatory tone is really something that fills me with pleasure.

● (1550)

There are understandable differences. People who have the resources want as much for those resources as possible, and the consuming parts of Canada think they should have those resources at as low a cost as possible. These differences are being resolved. We are engaged in this kind of negotiation.

While listening to the hon. member for Cumberland-Colchester North (Mr. Coates) I wondered whether he was adopting the kind of arrangement that is developing

in Scotland, where suddenly there is a new militancy in an area which has the prospect of oil and gas discoveries. Each part of Canada at one time or another either contributes or takes from the general pool of our society. I think it would be sad if, with the prospect of wealth, some part of Canada should forget that at other times it was on the other end of the equation. I sincerely hope there will be substantial discoveries on the east coast because any discoveries in the long run serve to enhance the future of this country and enable us to be a more affluent and self-serving country than otherwise might be the case.

It seems to me that in the future, if not now, we must move toward public ownership of our energy supplies. When I say this in respect of energy supplies I believe it to be important, because we should have that kind of ownership in order to have a rational allocation of energy. This includes gas, oil, coal, nuclear energy and hydro energy. Some of these are already under public ownership. Most of hydro is under public ownership and most nuclear energy in Canada is under public ownership, but not all. It is important that our energy supplies be under public ownership for the future of our country.

I am not making a general statement that public ownership is always better than private ownership because, in many ways, I have never been a strong proponent of public ownership. I think there are many areas where it is not a satisfactory answer. However, in the field of energy, because of the complexities and because of the importance of this field to the future of a country, there are strong arguments which can be made in favour of public ownership.

I understand, Mr. Speaker, that it is the wish of the House to move to another item, so may I move the adjournment of this debate.

Mr. Deputy Speaker: Order, please. Is it agreed that we move the adjournment of the debate?

Some hon. Members: Agreed.

On motion of Mr. Saltsman the debate was adjourned.

Mr. Macdonald (Rosedale): Mr. Speaker, I believe there have been some discussions and a suggestion that Order No. 22 might be called. This is the report stage consideration of the Canada Pension Plan amendments.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

* * *

CANADA PENSION PLAN

AMENDMENTS TO DEFINITIONS AND PROVISIONS

The House proceeded to the consideration of Bill C-22, to amend the Canada Pension Plan, as reported (with an amendment) from the Standing Committee on Health, Welfare and Social Affairs.

Hon. Donald S. Macdonald (for the Minister of National Health, and Welfare) moved that Bill C-22, to amend the Canada Pension Plan, as reported (with an amendment) from the Standing Committee on Health, Welfare and Social Affairs, be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read a third time?

Some hon. Members: Now.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Some hon. Members: Next sitting.

Mr. Stanfield: Mr. Speaker, there is not agreement at this time to proceed to third reading.

Mr. Knowles (Winnipeg North Centre): Agreement is not necessary.

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

Mr. Lefebvre: Mr. Speaker, I think we will find agreement to proceed with item no. 7 on the order paper, which is Bill C-207 in the name of the hon. member for Victoria (Mr. McKinnon).

Mr. Deputy Speaker: Is there agreement of the House that we proceed to Bill C-207, and that the other bills will not necessarily lose their position and will be stood?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

BRITISH NORTH AMERICA ACT, 1867

AMENDMENT TO LIMIT TENURE OF SENATORS

Mr. Allan B. McKinnon (Victoria) moved that Bill C-207, to amend the British North America Act, 1867 (tenure of place of Senators), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it is always a pleasure to rise in this House on a Friday afternoon when there is a cozy atmosphere. One sometimes feels we should bring a picnic lunch, spread a cloth in the middle of the aisle, and pass away the remaining hours of our legislative week.

I am speaking today on behalf of my private member's bill, Bill C-207, to amend the British North America Act in respect of tenure of place of senators. This bill is part of a two-bill parley. It originated as a single bill to amend the Senate, but I was informed by the legal advisor that this suggested reform must take the form of two bills. In order to understand Bill C-207 it may be necessary for me occasionally to mention Bill C-261, to amend the British

North America Act in respect of the appointment of senators.

I think there has been a fairly widespread desire, from the Prime Minister (Mr. Trudeau) on down, that something must be done with regard to Senate reform. Perhaps first we should look at the reasons for Senate reform. The Senate was instituted in our parliamentary system for two main reasons: first, to give sober second thought to legislation and, second, to represent regions from which the senators were appointed, on a provincial basis. It is in the dereliction of these basic purposes that the Senate has fallen to its present low state. It must be reformed or one day soon the will of the people, as expressed here by the peoples' representatives, will be to do away with the Senate. Let us attempt to reform it. If the reforms do not make it viable then we will have to come to what Hitler referred to as the solution when he was speaking, of course, in another context.

Two recent events may point out how far the Senate has strayed from its original purpose. First I should like to remind hon. members, particularly new members, that last winter in the twenty-ninth Parliament the Minister of Justice (Mr. Lang) introduced a bill commonly known as the wiretap bill. This bill was amended in committee. The amendments were voted on in this chamber. Some amendments carried, and some did not. Then the bill as amended was given third reading by the Commons and sent to the Senate.

One amendment was not attractive to the Minister of Justice. It must be borne in mind that it had been accepted by the majority of members of parliament here assembled. The Senate at that item, being more mindful of its party affiliation than of its duty, attempted to have the legislation re-amended to subordinate the will of the Commons to the will of the minister. The Senate amendment received the treatment it deserved. The bill was passed according to the wishes of the elected representatives and not the wishes of the appointed senators expressing their life-long gratitude to the government.

The second deleterious occurrence concerning the Senate was the use by the Liberal Party of the Senate in the recent election. We have become accustomed to the appointments to the Senate by successive prime ministers having a strong, perhaps overwhelming, smell of political reward, of payment for services rendered. But recently a new tendency has slipped in. Some Senators no longer make any pretence at impartiality and consider that it is their duty to support the party that appointed them, until death do them part.

● (1600)

I should like to read a few notes on some of the Senators of whom I am speaking. The national campaign headquarters of the Liberal Party listed Senator Keith Davey as the Campaign co-chairman. In speaking of Senator Davey I might read a news item from the *Toronto Star* of June 19, 1974, which goes as follows:

> Federal executives responsible for preparing government announcements during the July 8 election campaign period have been ordered to clear all statements with Liberal campaign co-chairman, Senator Keith Davey . . .
>
> A memo to that effect was sent to all ministerial executive assistants by Joyce Fairbairn, legislative assistant to Prime Minister Pierre Trudeau. The memo, however, has been circulated through government departments as well.
>
> Purpose of the screening is to ensure that all announcements "receive maximum publicity through proper timing and presentation", the memo says.
>
> Announcements and ministerial statements are to be sent to the Prime Minister's office "at least one week in advance".
>
> "Senator Keith Davey will then judge the timing which would produce the maximum result", the memo says.
>
> "Announcements should not be scheduled until his judgment is given". The "not" is underlined.

What relationship does such an activity bear to the original purpose of the Senate to give sober second thought to legislation, and to represent the regions from which the Senators are appointed? None whatsoever. It is this kind of activity that has brought disrepute to the Senate.

Some hon. Members: Hear, hear!

Mr. McKinnon: Let me go on with the list of the national campaign headquarters of the Liberal Party. There is Senator Gildas Molgat listed as the president of the Liberal Party, Senator R. J. Perrault as campaign chairman for British Columbia, Senator Earl Hastings as chairman for Alberta, Senator Jean-Pierre Côté as chairman for Quebec, and Senator Lorne Bonnell as Chairman for Prince Edward Island. Among those actively involved are John Aird of Toronto, Sidney Buckwold of Saskatoon, Douglas Everett of Winnipeg, Louis-Philippe Gélinas and Louis Giguère of Montreal, Harry Hays of Calgary, Dan Riley of Saint John, Irvine Barrow of Halifax, and George van Roggen of Vancouver. This group have done more to bring disrepute to and to misconstrue and misinterpret the role of the Senate than any group in recent history.

It is pretty clear that the Prime Minister should set about reforming the Senate. But, it is his belief that it is much better to have the taxpayers of Canada providing the dollars to operate his party than to take from the party chests. I should like to read from the Senate *Hansard* to show you what Senator Godfrey's impression is of his role. This is what he had to say:

> I am, and have been since the fall of 1968, the chairman of the finance and treasury committees of the Liberal Party of Canada, and in that capacity I have the overall responsibility for raising the funds for the federal Liberal Party, not only at election time but also to maintain its activities between elections.

The Senate needs reform; nothing could be more clear. It is an absolute necessity that it be reformed quickly or it will be too late.

I should like to say that there are different groups of senators. There is the group I just listed, and there is the other kind, those who enchance upper chamber and Canadian politics by their presence. Although I admit to lack of detailed knowledge of the personalities and records of senators, I must say that in my short time in federal politics I have noticed Senator Cameron, Senator David Croll, Senator Forsey, Senator Goldenburg, Senator Grosart, Senator Lamontagne, Senator Manning, Senator O'Leary, Senator Bélisle and Senator Yuzyk.

These gentleman do not look upon the Senate as a place in which to express their lifelong loyalty to one party or another. They look upon their responsibilities in a mature way and in the national sense. I tell you that it is only the

achievement of these senators that convinces me that we should attempt to reform that body rather than follow the route prescribed by the hon. member for Winnipeg North Centre (Mr. Knowles). It is because of the work of the second group of senators that I have gone to considerable effort to prepare the two bills, Bill C-207 and Bill C-261.

Bill C-261 would provide a new method of selecting senators bases upon party standings in the House of Commons on January 1 of each year. The then existing vacancies could be allocated on a pro-rated basis among the parties, determined finally by the party leaders. The Governor General could announce the appointments. This would mean that the Senate membership would eventually bear some relationship to the desires of the Canadian people as expressed every four years at election time.

Bill C-207, the one with which we are dealing today, is a bill that has to do with the tenure of appointment. I put in both of these bills a year ago, but I did not win in the draw. In consequence, they were not heard. I put them in again and now have the opportunity to speak on one bill only.

The key words in Bill C-207 are:

A Senator who is summoned to the Senate after the coming into force of this subsection—

That means of course that it will not apply to any existing senators.

—shall, subject to this Act, hold his place in the Senate until he attains the age of seventy-five years or for a period not to exceed ten years, whichever occurs first.

It is not by accident that it say "ten years". Last year it said fifteen years, and this year, on October 2, the Prime Minister of Canada said that he had two reforms in mind for the Senate.

... First, we should limit the duration of senatorial appointments to a certain number of years, seven, for instance, with the option of reappointing senators when they have well served their country.

He is the Prime Minister and I am just an ordinary member, so I thought I would meet him somewhat more than halfway, that I would come down from fifteen to ten, and he could meet me and come up from seven to ten.

I am sure that hon. members opposite will agree that the bill complied closely enough with the Prime Minister's wishes, and therefore they will give it speedy passage later this afternoon and send it to committee.

With regard to the last portion of the sentence uttered by the Prime Minister, in which he wanted the option of reappointing senators when they have well served their country, let me say that this would destroy the purpose of any Senate reform if that option were vested in the Prime Minister. It would make people ask: how did senator X do in the last election? If he did not pull his weight for the party, he would not be reappointed and, if he worked hard, he would be reappointed. This would put the Senate even more under the control of the party in power.

I do not wish to insinuate that there is a great deal of difference between the parties in this respect. The difficulty in some regards is that one party has been in power a great deal of time lately in our country. I do not think that we are all saints and they are all sinners. I think the difference lies in the legislation power that is given to the party in charge, the party that is temporarily forming the

[Mr. McKinnon.]

government, to abuse parliament by these types of appointments and employment of senators.

• (1610)

Finally, allow me to quote from the Senate *Hansard* for Tuesday, March 13, 1973. I shall quote the remarks of Senator Croll who suggested 12 points for Senate reform. I commend the speeches recorded in the Senate *Hansard*; invariably one finds extraordinarily good speeches, well researched and well constructed. I assure you it is easier to read a well constructed speech than to make one.

Senator Croll brought forward a 12-point plan for Senate reform in the seventies. He suggested, as reported at page 322, that the present absolute veto power of the Senate over all legislation should be reduced to a suspensive veto. I am glad that the Prime Minister agreed with the Senator in his speech of October 2, from which I quoted.

I do not agree with Senator Croll's suggested distribution of Senators. Once again he suggested the appointment of too many senators from this part of the world, and shortchanged western Canada, particularly British Columbia.

The third point must be considered in conjunction with the fourth. He, Senator Croll, suggested that the supporters of any one political party should not comprise more than two-thirds of the Senate at any one time, and that Canadian constitution should be amended as soon as possible to ensure this result.

Senator Croll went on to say:

The Senate is too heavily weighted on one side, and this is not good for the Senate. It is not good for democracy ... Good opposition makes for good government.

His next point was:

The government leader in the Senate should not be a member of the Cabinet.

The leader has to be our man. He is not, and it is time that we cut the umbilical cord with the House of Commons.

The Senator ended by saying:

It seems to me that there are only two options open—Senate reform or Senate abolition. It is a clear case of reform or perish.

I could not agree more with what Senator Croll said in his fine speech.

Mr. D. M. Collenette (York East): Madam Speaker, this is the first opportunity I have had to speak to the House. Therefore I would formally like to congratulate you on your appointment. I know in the very short time of this parliament that you and your colleagues have distinguished yourselves in the performance of your responsible duties.

I am very glad to participate today in this most academic of debates on Bill C-207, proposed by the hon. member for Victoria (Mr. McKinnon), to limit the tenure of senatorial appointments to 10 years. I agree completely with the sentiments that the hon. member wishes to convey to the House concerning the need for general reform in the operations of the other place. In fact, I even agree that some limitation of tenure of our Senators is desirable, if not absolutely necessary, to make the Senate

relevant to the political system of this country, in this technologically complex era.

However, I believe that the reforms of the other place required to bring this relevance to Canadian political life are so extensive that the effect of this bill is merely cosmetic and does not provide a fundamental solution to the problem. Therefore I cannot support my hon. colleague on this matter.

I think that perhaps a couple of bills will be required to change the composition of the Senate. Before we talk in terms of 10-year appointments for Senators, we should look at the terms of reference applying to senatorial appointments, and at the function of Senators within the parliamentary process. I therefore propose, in the short time available, to review some of the background of Senate reform and some contemporary responses to the problem.

I remind my hon. colleague that the British North America Act had scarcely passed the experimental stage when, in 1874, the House of Commons was called to consider the desirability of amending the constitution of the Senate. The House was asked to adopt a resolution to the effect that the system of appointment to the Senate was inconsistent with the federal principle, and that the constitution ought to be amended so as to confer upon each province the power of selecting its own senators. Debate on this resolution was adjourned without any action being taken.

Several years later the subject was revived on the motion of the then member for Perth, who advocated abolishing the life tenure of senators, providing a fixed age for compulsory retirement, and limiting "the tenure of one appointment to within the legal term of three parliaments". After debate the motion was withdrawn. In January, 1908, the same member asked for "an age limit for retirement, or a shortened term of service for future senators." Again the debate was adjourned without any action.

In 1909 Sir Richard Scott outlined a broad scheme for reform in the Senate, including the idea that "the term for which senators may be elected or appointed be limited to seven years." Thus the debate over limiting the tenure of senators is not a recent innovation, and is often linked to the question of whether the Senate should be nominated or elected.

At the time of Confederation Canada adopted the Senate nominative system as best suited to the relations which were about to be established between the provinces and the central government. Election was ruled out on the grounds that the government should only be responsible to the House of Commons, the only body to represent the people directly.

The Fathers of Confederation thought the nominative system had definite advantages. Rightly chosen in the true spirit of responsible government, they thought a nominative Senate would be the strongest bulwark of the constitution and the most impartial guardian of true democracy. It would have none of the hereditary weakness of the House of Lords, nor the partisanship of an elected chamber. It could command the services of experts from every walk of life. If it were necessary for its purpose to use the best talents of any profession—to aid in legislation for the development of the natural resources of the country, for protecting public health, for extending trade and commerce, or for widening the horizons of citizenship—they were at its disposal.

Since the 1920's no federal government has tried to alter either the powers or the composition of the Senate. However, in the government's proposals to the constitutional conference in February, 1969, the Prime Minister (Mr. Trudeau) added Senate reform to his proposals for revision of the federal constitution. The federal proposals envisaged that the Senate be reconstituted to enable it to play a more vital role in reflecting the federal character of the country.

Among other things it was suggested that senators be selected partly by the provinces, with the term of office reduced, perhaps to six years. It was also suggested the Senate be given special powers, including the right to approve federal nominations to the Supreme Court, and to have special legislative responsibility concerning the official languages, human rights, international relations, and other matters. While some of these ideas have been shelved, the question of fixed terms is still very much alive, as we can see by the Prime Minister's remarks during the Throne Speech debate this session.

When the Fathers of Confederation decided to give Senators life tenure, they hoped this would promote the independence of the Senate and, while this may have been the case, it also had the effect of lowering Senators' prestige with the public, who tended to look upon them as a privileged class of old-age pensioners. We all know they are not that. In 1965 the British North America Act was amended, requiring Senators appointed thereafter to retire at 75 years of age. It is interesting to note in passing that this change has lowered the average tenure of a Senator from about 16 years in the early 1960s to an average of eight years by 1971.

Another frequent suggestion is that the appointment of Senators be for a limited term of six, eight or even ten years as in the bill before us. It is argued that more frequent changes of membership might induce greater activity without tending to strengthen the Senate vis-à-vis the House of Commons. Such changes would also increase the introduction of new men and ideas into the Senate but, perhaps what is more important, would mean that any alternation of power between the parties in the Commons could be reflected much sooner in the Senate. That situation would be welcome, instead of the present situation whereby, when a party has been in office for a long time, it will continue to keep its majority in the Senate long after it is defeated in the House.

This is a crucial point. Over the past few years public respect for the legitimate role of the Senate in the parliamentary process has been steadily eroded since we, as members of the Liberal party, have consistently been charged by the Canadian people to govern the nation. This is a responsibility which they have been loathe to give, for good reason I may add, to Her Majesty's loyal opposition.

The present ratio of Liberal Senators to those of other parties is dangerously close to rendering the whole body of the Senate useless. Hence the sincere offer of the Prime Minister to appoint Senators from other parties.

● (1620)

As you can see, Mr. Speaker, it is very difficult to confine oneself to the specific intent of this bill without discussing the whole matter of Senate reform. A simple reduction in the term of senatorial appointments does nothing to answer criticisms of New Democratic Party members, many past members of which party should have continued their very real contribution to the Canadian political system in the Senate after their years in the House of Commons were ended.

I can think of many past NDP members of this House who deserve to be given the nation-wide forum that is accorded to members of the red chamber. Indeed, I can think of a few present members of that party who would be equally effective in the other place.

During debate on the throne speech, I wish to remind the hon. member for Victoria, the Prime Minister suggested the duration of senatorial appointments should be limited to a certain number of years, seven for example, with the option of re-appointing Senators "when they have well served their country".

While most newspapers agreed that the Prime Minister was right to contemplate reform of the Senate, there were many queries concerning this idea. For example, the Toronto *Star* argued that the greatest value of the Senate lies in the fact that it includes a certain number of strong minded men, not too confined by party ties, who are not afraid to express their views on national affairs and to criticize the government. I quote from the October 18 edition of the Toronto *Star:*

> The danger of the proposed seven-year renewable term is that it would create strong temptation for the Prime Minister of the day to drop these independent, troublesome individuals when their terms expired and to re-appoint only the faithful party hacks who have served the party, if not their country, well. And the remaining members would be under notice not to rock the boat if they wanted their appointments renewed.

The Toronto *Star* should realize by now that the Liberal party is never quite that partisan and I doubt whether we have ever appointed someone, to use its derogatory phrase, who is a mere "party hack". Rather, we have appointed people who have contributed to the political and social fabric of Canadian society.

At this point I wish to digress and comment on some of the remarks of the hon. member for Victoria. I regret the hon. member feels that, once appointed, Senators should fade away in the lush splendour of the red chamber. I feel that Senators are expected to participate in the political process to the full. I believe that election campaigns are part of the political process.

I can only conclude that the hon. member's derogatory remarks concerning some of our Senators is sour grapes, and perhaps reflects his displeasure that Tory Senators do not participate fully in the Conservative caucus and the Conservative party. However, I do not know that for sure.

Most Senators are partisan appointees and I expect that they continue their partisan involvement. I remind the hon. member that Senators are members of parliament as are members of the House of Commons. We were certainly reminded of that recently in caucus.

[Mr. Collenette.]

Having briefly outlined some theoretical arguments for and against limited tenure for Senators, it is perhaps necessary to consider some practical problems in changing the present situation. The method of appointing Senators is established by the British North America Act, and in over 100 years the only major change in provisions relating to the Senate was the reform of 1965 providing for a compulsory retirement age of 75 years.

Despite this change the fact remains that effective Senate reform is not an easy task, and the Senate cannot be reformed without its consent. Therefore it is important to consider whether the Senate would favour fixed terms of office for its members. The Prime Minister has discussed this with the leader of the government in the Senate, and expressed the hope that some progress can be made in this area.

Yet only two years ago an extensive study of the constitution was undertaken by a joint committee of the Senate and the House of Commons. The committee included 11 Senators representing both parties, and it examined at some length the question of appointment and representation in the Senate. Among other things it recommended a new distribution of seats which would maintain 24 seats for Quebec and Ontario, but would allot 12 seats each to British Columbia, Alberta, Saskatchewan and Manitoba; 10 seats each to New Brunswick and Nova Scotia; six seats to Newfoundland, four seats to Prince Edward Island, and two each to the Yukon and Northwest Territories, for a total of 130 seats.

It also recommended that Senators continue to be appointed by the federal government, although one half of the vacancies in each province or territory would be chosen from a panel of nominees submitted by the appropriate provincial or territorial government. It did not, however, recommend a fixed term of appointment for Senators, concluding only that the compulsory retirement age should be lowered to 70 years, and that upon retirement Senators should retain the right to their title and precedence, as well as the opportunity to participate in the work of the Senate or its committees, but not to vote or receive the indemnity of Senators.

Since this recent document, agreed to by a number of Senators, did not propose fixed terms, one is justified in asking if such an idea would find acceptance in the Senate? If not, then all the theoretical arguments for and against the idea become academic, and the question of Senate reform will probably be postponed once again.

Mr. Stanly Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for Victoria (Mr. McKinnon) expressed the hope the House would give second reading to this bill this afternoon and send it to the Standing Committee on Justice and Legal Affairs. He is a nice fellow and I do not like to disappoint him, but I can think of nothing that would be more wasteful of the time of the Standing Committee on Justice and Legal Affairs than for it to have this bill presented to it.

That is not to say, despite my well-known opposition to the continuance of the Senate, that one can forever block discussion on Senate reform. However, I submit that this particular proposal is not worth committee consideration. I find it just as useless as the proposal of the Prime

Minister (Mr. Trudeau) that there be seven year terms, subject to re-appointment.

This bill does not get at the root of the question as to whether the Senate is a desirable and useful part of our parliamentary institution. It is being demonstrated more and more that its practices are not in keeping with the principles of democracy. I contend that unless somebody can come up with more significant and more useful proposals for reform than we have from the hon. member for Victoria and from the Prime Minister, my proposal still stands as number one; let's abolish it.

It always interest me when a member like the hon. member for Victoria talks about the purpose of the Senate. He said its purpose was to give sober second thought to legislation passed by the House of Commons. I always wince a bit when that is said. The implication is that the thought in this House is not sober. I do not accept that at all. In any event, I wonder where the idea came from Mr. Speaker. I do not find it in the British North America Act.

I am sure what I shall read from the British North America Act has been put on the pages of *Hansards* on previous occasions, but not for a long time. Since there is this talk about the purpose of the Senate, perhaps it might be a good idea to remind ourselves what the Fathers of Confederation had in mind.

● (1630)

Section 23 of the BNA Act reads as follows:

The qualification of a Senator should be as follows:

(1) He shall be of the full age of thirty years.

I suppose that was reasonable 100 years ago but it certainly discriminates against young people who rightly believe they are quite important in today's generation; they have voting rights at the age of 18 and they have the right to enter this House at the age of 18. At any rate, that is one of the qualifications of a Senator. You must be an old man of thirty.

Note, also, that the Act just says "He". Once upon a time the judicial committee of the Privy Council had to rule that for the purpose of going to the Senate a woman was a person. That was an historic decision of the judicial committee of the Privy Council, and I think it is interesting that related to the history of the Senate was the question whether or not persons to be appointed to that place had to be men only or whether they could include women. I move on. The section continues:

(2) He shall be either a natural-born subject of the Queen—

I always like that phrase and wonder what would be meant by "un-naturally born".

—or a subject of the Queen naturalized by an act of the Parliament of Great Britain, or of the Parliament of the United Kingdom, Great Britain and Ireland, or of the Legislature of one of the Provinces of Upper Canada, Lower Canada, Canada, Nova Scotia or New Brunswick, before the union, or of the Parliament of Canada, after the union.

Well, those are routine qualifications. Let us go on to subsection (3):

He shall be legally or equitably seised as of freehold for his own use and benefit of lands or tenements held in free and common socage—

I have been asking my learned friends around here what that means, and they are no more learned than I am. Anyway, there it is socage.

—or seised, or possessed for his own use and benefit of lands or tenements held in francalleu or in roture within the province for which he is appointed, of the value of four thousand dollars, over and above all rents, dues, debts, charges, mortgages and incumbrances due or payable out of or charged on or affecting the same.

Boy! If you are going to apply for a job in the other place, you really have to read the fine print.

(4) His real and personal property shall be together worth four thousand dollars over and above his debts and liabilities.

I am sure that if the hon. member for Don Valley (Mr. Gillies) were to move an amendment to the BNA Act he is so concerned about inflation he would hardly consider letting that $4,000 figure still stand as a sufficient requirement to get into the other place.

Mr. Gillies: It is much too low.

Mr. Knowles (Winnipeg North Centre): The hon. member says it is much too low. Does he want to make it $40,000? Or $400,000? In my view any monetary consideration at all is a violation of the basic concept of democracy.

(5) He shall be resident in the province for which he is appointed;

(6) In the case of Quebec he shall have his real property qualification in the electoral division for which he is appointed, or shall be resident in that division.

I have been looking through the BNA Act and I find there are no other qualifications required. I do not see any reference to qualifications in terms of intelligence, capacity of training not even sobriety. You just have to be an old man of thirty, a proper subject of the realm and in possession of certain property.

Mr. Gillies: And be a good party worker.

Mr. Knowles (Winnipeg North Centre): The hon. member for Don Valley says "and be a good party worker". That is not in the Act, but that has certainly been the case in the last 100 years or more. The bill before us makes a proposal under which a term in the Senate could come to an end. I would remind the sponsor that there are already provisions in the BNA Act for the place of a Senator to become vacant. These are to be found in section 31:

The place of a Senator shall become vacant in any of the following cases:

(1) If for two consecutive sessions of the parliament he fails to give his attendance in the Senate.

Well, Their Honours do manage to get into the place, so that rule really does not apply very often.

(2) If he takes an oath or makes a declaration or acknowledgment of allegiance, obedience or adherence to a foreign power, or does an act whereby he becomes a subject or citizen, or entitled to the rights or privileges of a subject or citizen, of a foreign power;

(3) If he is adjudged bankrupt or insolvent or applies for the benefit of any law relating to insolvent debtors, or becomes a public defaulter;

I do not know what the definition of that last word might be. Anyway, there it is, in the Act, and it is printed with a capital "D".

(4) If he is attainted of treason or convicted of felony or of any infamous crime.

Who is to define what is infamous? I believe there are persons guilty of things I would regard as infamous but which might seem a cause for reward to others.

(5) If he ceases to be qualified in respect of property or of residence; provided that a Senator shall not be deemed to have ceased to be qualified in respect of residence by reason only of his residing at the seat of the Government of Canada while holding an office under that government requiring his presence there.

There is really nothing else in the BNA Act regarding the qualifications of a Senator. It does not say he must have gone to school, or hold a university degree, or hold a certificate of professional proficiency. He simply has to be a person past thirty, a proper citizen, not a public defaulter, and possess a certain amount of property.

Some limitations are imposed on Senators. The main limitation is that they cannot introduce into the Senate a bill involving the expenditure of money or the imposition of a tax. There is the further provision that though Their Honours can amend almost any bill we send over there, they cannot amend a supply bill; they must either accept it or reject it in total.

I find these things about the other place interesting, but one searches in vain for the qualification to which reference is made most often, namely, that Senators are appointed to give a sober second thought to what goes on in the House of Commons. I would therefore suggest to the hon. member for Victoria that, before he presses too far his conviction that the Senate is not doing what it was designed to do, he should produce a blueprint setting out what he thinks it was designed for, and in the absence of such a blueprint it seems to me the other place has developed along lines which are natural for a body made up of persons appointed by the government of the day.

It just so happens that during most of this century the Liberals have been in power and they have been filling the place with their appointees. But had the reverse been the case, and had the Tories been in power I doubt there would have been much difference in the performance of Tory Senators.

Mr. Gillies: They would be more sober.

Mr. Knowles (Winnipeg North Centre): The hon. member says they would be more sober. That is his comment, not mine. In any case, as I have said on many occasions, I do have respect for many of the Senators over there. I know a number of them personally. After all, I have been around here longer than most of them. I know them and I respect the 25 or 30 of them who have worked hard at the job. But it seems to me that the whole set-up, couched as it is in the language of 1867, does not fit in with a modern democracy where parliament is supposed to be the body responsible to the people of this country.

● (1640)

I have said many a time that we in the House of Commons can and do make mistakes. But when we make mistakes we have to go back and answer for those mistakes, even as we answer for the things we do correctly, to the people who sent us here in the first place. Over in the Senate, whether they do the right thing, the wrong thing, or nothing at all, they are not responsible to anyone. They are not even responsible to the Prime Minister who recommended their appointment in the first place.

[Mr. Knowles (Winnipeg North Centre).]

Therefore, Madam Speaker, I submit that the sensible thing for a modern twentieth century parliament to do is to decide that we believe in democracy, and that we want the persons who make the laws of this country to be elected by, and made responsible to, the people of Canada.

Usually if I find myself in a discussion with students and others, and that particular word comes up and it is said that the lawmakers should be elected, someone will ask: "Well, what about electing the Senate?" I say, let the matter rest rather than that. We have enough conflicts now between the parties in this House, between the executive and the members of this House, between Ottawa and the provinces, that if we added to that the conflict between two houses each with the authority to stand on its own feet, it would slow down the process of government even more. So if we cannot get rid of the Senate, let us leave it as it is.

The Senate is in a situation in which Their Honours realize that their authority is limited. As the hon. member for Victoria has pointed out, in the last parliament the Senate did object to a clause in one of the bills we sent over to them. He indicated why he thought they did that, but at any rate they did realize that once this House of Commons had confirmed its previous vote there was nothing more for them to do.

As I say, if we cannot get rid of the place altogether I think it should be kept in the situation it is in at the present time, where the Senators say their piece once in a while but really do not try to upset the democratic apple cart.

I should like to make a brief reference again to the fact that some of the committees in the other place do a good job. The reports they have produced have been the result of thorough and exhaustive study, and some of their recommendations have been exceedingly worth while. But I do not think that the fact that 25 or 30 persons do a good job when work is assigned to them is justification for keeping 102 persons on the payroll; and not only on the payroll, but nominally with the authority to veto the decisions made by the elected representatives.

So, Madam Speaker, I am afraid, like a good Conservative of long ago, I am unrevised and unrepentant about this issue. I think that in the democracy of this latter part of the twentieth century we should be democrats all the way, and that we should have a parliament that is made up only of those who are responsible to the people. Therefore that means getting rid of the Senate. I suggest that to waste time on this kind of reform is just that—a waste of time.

Mr. Heath Macquarrie (Hillsborough): Madam Speaker, may I begin by congratulating you upon your attainment of office and on the way you conduct that important office. I wish you well in your duties.

I listened with great delight to that champion of the status quo, the hon. member for Winnipeg North Centre (Mr. Knowles). He reads the British North America Act to us just as they say Senator Huey Long used to read the cookbooks to the U.S. Senate when he was conducting a filibuster. I will not show any preference between the

books, but I must say I prefer the hon. member for Winnipeg North Centre to Senator Long.

I do not want the hon. member of the Liberal party, whose seat I do not know since I do not have my seating plan with me, to think that I am registering an attitude of sour grapes; that is not so at all. Also, my own colleagues will know that I am not revealing any conflict of interest or anticipating things that never seem to come. But I will say to the hon. member for Winnipeg North Centre that I will support his stand on the Senate when I reach the age of 74½. At that time I will give in and support him; but since I am only 55, the same age as the Prime Minister (Mr. Trudeau), we will have to let hope spring a bit reluctantly from time to time, if not eternally.

I believe this proposal is perhaps the oldest public discussion. In 1893, long before I was born, before the mover of this motion was born, and even before the hon. member for Winnipeg North Centre was born, there was a big political convention in Ottawa, the first national convention in the nation's history. The Liberal party met, and one of the resolutions was that we should reform the Senate. As I say, that was in 1893 and there has not been much reforming done since then.

The giant step taken a few years ago was to say that the Senators could go until they were 75 and no longer, and that has changed the place a good deal. We read of the distinguished Senator who made two speeches in all his career. When he first went there he denied he did so as a matter of political patronage. The next speech was when he thanked his colleagues for giving him a painting on his one hundredth birthday—and there were 35 years between the two speeches. Nevertheless, they said he was a most excellent man, and while he did not speak he always voted for the party whenever those Senate bells began their gentle ringing.

And so the Senate is sometimes laughed at, Mr. Speaker. Dawson, at page 314, talks about the impossibility of making much change, and he quotes from Ulysses:

> Surely, slumber is more sweet than toil, the shore Than labour in the deep mid-ocean, wind, and wave, and oar; Oh rest ye, brother mariners, we will not wander more.

And they practise that urge toward tranquility which keeps the body alive and functioning.

On the other hand I think the hon. member for Winnipeg North Centre is a bit cynical in suggesting, as he often does, that the contribution of some of the Senators is not sufficient to justify the continued existence of the institution. In my short 17 years here—and I came long after the hon. member—I have been much impressed by the work of the committee on the Caribbean-Commonwealth-Canada commission, one of the finest studies ever done in that very important area, as well as by the poverty study. Some other excellent work has been done in the realm of external affairs which was very, very useful. In fact, I should like to see the hon. member for Winnipeg North Centre go to that place; he would add a lot to it.

Mr. Knowles (Winnipeg North Centre): Oh, please! Never!

Mr. Macquarrie: They are pretty casual about procedure. I can see the day when he comes down the aisle with Senator Forsey on one side and Senator Argue on the other, to add to the NDP bloc in the other place.

Mr. Knowles (Winnipeg North Centre): May I ask the hon. member a question?

Mr. Macquarrie: Yes.

Mr. Knowles (Winnipeg North Centre): Has he given up any hope that there might be a recommendation of an honorary degree for him?

Mr. Macquarrie: Now, Madam Speaker, that is what you call literary blackmail from the chancellor of a very distinguished university. I have often thought that if I cannot get into the Senate then perhaps a university degree, a doctor of letters or something, will do. I will accept his offer and not consign the hon. member to the Senate. Perhaps it will be the leader of his party who will go there, because the leader of the NDP fought very hard against my party during the campaign. I heard him attacking the Leader of the Opposition (Mr. Stanfield), and I think he was motivated by fear. He thought that we were going to get a majority government, and the NDP had been in bed with the Liberals for so long that they could not bear the thought of sleeping alone. Thus they did not want a majority government, so that should come as some reward.

To turn to the bill of the hon. member for Victoria (Mr. McKinnon), I do congratulate him on what I think is a very sensible suggestion for reform. I agree profoundly with him that neither that House nor this can sustain a continued lack of respect among the public. I have always said that as individuals we can live with that old syndrome of politicians with all their peculiarities, but there must be a basic respect for the institution itself.

● (1650)

The manner in which the hon. member has put forward this step in reform, and as a member of a reform minded party I am all for it and do not join with the hon. member for Winnipeg North Centre in his unrelenting support of the status quo, I think is forward and progressive. I support the hon. member for Victoria most fully and heartily. In my mind he has made a good move and I wish him well.

A very difficult step in legislation is that of getting the second House different enough to be worth while. As I said long ago, if it disagrees with this House it is inequitous, and if it agrees it is superfluous. So you have to find some way, and I think the hon. member has opened a good line in that direction. I would suggest perhaps that if we had 10 members from each province it would be a better place, particularly for example from Prince Edward Island.

Before I take my seat, as I know other hon. members want to speak, I want to point out that the Prime Minister, I am sure accidentally, misled the country and the province of Prince Edward Island when he said through the throne speech that he had talked to Senator Flynn, and that in any case where a member of the Conservative party retired he would appoint a Conservative in his place. I happen to recall that Senator J. J. MacDonald of Prince Edward Island, a Progressive Conservative, retired in 1971

and was succeeded by Senator Bonnell, a Liberal. I think the Prime Minister slipped in his memory in that regard. I think it was a rather unfortunate slip, and indeed thought so at the time.

I support my colleague and congratulate him. I think his bill goes about as far as anything the other place would likely pass. I think the hon. member for Winnipeg North Centre will never be able to put a bill through here that the hon. gentlemen in the other place will support. I am with my colleague the hon. member for Victoria in his move and I congratulate him.

Mr. Lloyd Francis (Ottawa West): Madam Speaker, I regret very much that there are only a few minutes left as I know there are a number of members who would like to make a contribution, some of them members on this side of the House.

I listened to the crusade for reform by the hon. member who just spoke and I could not help but remember that the hon. member for Laprairie (Mr. Watson) and I represent constituencies both of which have far more people resident in them than are resident in the entire province of the hon. member which is now represented in this place by four parliamentarians and in the other place also by four. I cannot believe he was serious in suggesting that we should increase such numbers to 10. If he wants to start on reform I think he should start in his own house and look at it a little more closely.

The hon. member for Victoria (Mr. McKinnon) presented himself as having two bills, and I think the one to deal with the question of representation genuinely involves the problem of reform. I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) that this bill is not reform and does not get to the heart of the matter.

The real problem with the other place is the lack of opposition. The opposition has dwindled to a handful, and many of them are aging and are not as forceful as they were in other years.

I listened to the hon. member who proposed this bill complain about political partisanship. I wish he had been a candidate in the election of 1962, as I was, when the Senators in the other place had a slightly different preponderance of numbers. I can remember Senator Grosart doing something somewhat similar to the job that Senator Keith Davey performed in the last election. All that time there were members on this side of the House who had some misgivings about the degree of partisanship involved.

If political partisanship is a crime then there is something wrong with our political life. Surely the very essence of our political life is a healthy interest in the democratic process. The cure lies in a better and stronger opposition in the Senate, where there should be a better balance of the parties in Canada. The real weakness of the Senate is the lack of a parliamentary opposition. That is the point to which the hon. member who moved this bill should have directed his remarks.

I listened to the arguments of the hon. member for Victoria, and at no point did he deal with the basic point of his bill; that is, limiting the length of a Senate term. This is a popular exercise and I submit that limiting the term would bring about, if it were enacted—and I do not believe it will be enacted in this form—a discrimination against younger men in the other place. The problem of accepting a limited appointment, to those who are in a profession or business career and are younger in years, is a very serious one indeed.

We are, in my opinion, very correctly raising the question of conflict of interest. We are saying to the men and women who go to the other place they must serve full time, they must serve without conflict of interest, and they must cut their former ties. A man or woman who leaves a profession, business or usual activity, for a limited period, at the end of that period has to face the certainty of going back into civilian life, as it were, and at that point in too many cases has to start thinking of bread and butter.

In such circumstances the very quality of independence, the very quality of full-time service, and the very quality of making sure there is no conflict of interest comes, shall I say, under pressure. That is not the point. The point is that we have a Senate at this stage, whatever the faults of the system may be, and I will concede there are a number of faults. The fact is that the independence of the Senate is the very guarantee of its integrity. The amendment which is proposed in this bill does not, in my opinion, deal with it.

There are two committees about to be struck in this House; one is a joint committee of the other place and the House of Commons to deal with the Public Service of Canada, and the other will deal with the National Capital Region. We look to the other place for able and continuing representation by parliamentarians who will persist in taking an interest in these matters.

On October 30, 1972, there was a previous parliament, of which I was a member, with a number of faces that are not now here, some 120 of them. The turnover of elected representatives in the Canadian parliament is very great indeed. The other place has provided continuity on a number of committees dealing with a number of important matters.

I should like at this stage, with the indulgence of the House and if I have time, to tell a short anecdote. I regret that the right hon. member for Prince Albert (Mr. Diefenbaker) is not here. I am thinking of the problem of the lost statues.

When I was a member of a previous parliament the then minister of public works, now a member of the other place, called upon one or two of the local members, Jean Richard and myself, and said: "I have a problem and I would like local members to give me their very best advice. What do you do with certain statues?" One of them was a statue of former Prime Minister Meighen, and it was simply outrageous. It was not done by any Liberal artist; it was no Grit plot and there was no attempt at concealment, but what you would do with such a statue is utterly beyond my comprehension.

Mr. Knowles (Winnipeg North Centre): Send it to the Senate.

Mr. Francis: It was done as a caricature.

The Acting Speaker (Mrs. Morin): Order, please.

Mr. Francis: Madam Speaker, perhaps I might just finish my story as I am sure hon. members would appreciate it.

The Acting Speaker (Mrs. Morin): Is there agreement?

Some hon. Members: Agreed.

Mr. Francis: Mr. Richard and I took a good hard look at these statues and said: "We are members of one political party; we are government supporters and we do not feel we should advise you. We feel there are distinguished and competent members in the other place who are most able to give impartial advice, and which would be accepted by everyone as impartial advice that would not be politically motivated."

The minister of public works appointed a committee, I think of Senator O'Leary and Senator Eugene Forsey, representing different and opposing political interests at that time. They carefully inspected the statues that were available, and I suspect that the then minister acted in accordance with the very wise recommendations received from those members of the other place.

I know there are questions on the order paper and that the matter has now been forced into a public debate, and a decision will be made. I hope that this little anecdote will show that there is no conspiracy or plot on behalf of the Commons, or one political party, to do any injustice to previous Prime Ministers in this place.

The Acting Speaker (Mrs. Morin): Order, please. The hour allotted for private members' business has now expired. It being five o'clock this House stands adjourned until Monday at 2 p.m.

At 5.02 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 4, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENTAL AFFAIRS

STUDY OF EFFECT OF FREON GAS ON OZONE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

Whereas the threat of depletion of the earth's protective layer of ozone arising from the freon gas contained in aerosol cans has become so serious as to be the subject of studies in the scientific journal *Nature* and to cause others to warn that life on earth will be threatened within 10 to 15 years if present production of freon gas continues, I move:

That this matter be directed to the Standing Committee on Fisheries and Forestry for immediate consideration to determine whether sufficient funds and personnel are available to the atmospheric processes research branch to make effective studies and to return reports in the shortest possible time.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. I regret to intervene at this point in connection with a motion pursuant to Standing Order 43, but since a motion requires unanimous consent there is often a temptation to believe that it is not necessary for hon. members to comply rigidly with the rule. I would point out, however, that Standing Order 43, in a similar way to Standing Order 26, requires that the subject matter presented pursuant to the rule should be a matter of urgent and pressing necessity. The motion proposed relates to a problem which has certainly been with us for some time; if the situation becomes more serious it may have terrible implications 10 or 15 years from now. However, in present circumstances I must rule that it is not a proper subject for a motion under Standing Order 43.

* * *

CUSTOMS ACT

MEASURE TO EXTEND TERRITORIAL JURISDICTION OF CANADA

Hon. Ron Basford (Minister of National Revenue), moved the first reading of Bill S-4 (from the Senate), to amend the Customs Act.

Motion agreed to and bill read the first time.

ALBERTA-BRITISH COLUMBIA BOUNDARY ACT, 1974

MEASURE TO ESTABLISH COMMISSION TO DELINEATE BOUNDARY

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved the first reading of Bill S-13 (from the Senate), respecting the boundary between the Provinces of Alberta and British Columbia.

Motion agreed to and bill read the first time.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

DISTRIBUTION OF QUAD REVIEW NUMBER 2

Question No. 52—**Mr. Holmes:**

1. How many copies of QUAD Review Number 2, June, 1974, were printed for distribution?

2. How many copies of QUAD Number 2, 1974, were distributed at no cost to the receiver and what professional bodies or institutions received free copies?

3. What was the total cost to the government for the production and distribution of QUAD Number 2, 1974?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Sixty-two thousand copies of Quad Review 2 were printed.

2. Two thousand copies were made available through Information Canada. The remainder were distributed to the following groups at no charge: (a) Physicians, 35,000; (b) Pharmacists, 12,000; (c) Hospitals, 1,500; (d) Requested copies from other government departments, foreign governments and professional associations, 200; Professional Bodies and Associations: Proprietary Association of Canada; Pharmaceutical Manufacturers Association of Canada; Alberta Pharmaceutical Association; Le Conseil consultatif de pharmacologie de la province de Québec; Victorian Order of Nurses; Association des fabricants du Québec de produits pharmaceutiques; Association des hôpitaux du Québec; Canadian Drug Manufacturers Association; Canadian Medical Association; Canadian Pharmaceutical Association; Canadian Consumers Association; Ontario Pharmacists Association; Ontario College of Pharmacists; Canadian Society of Hospital Pharmacists; L'Ordre des pharmaciens du Québec; Canadian Dental Association; (e) Libraries of Medical Schools and Schools of Pharmacy. (f) Copies to be distributed to students of

medicine and pharmacy as requested by respective deans; (g) Provincial Departments of Health.

3. Total cost for printing and distribution of Quad Review 2 was $69,500.

INCIDENT AT THE THOUSAND ISLAND BRIDGE

Question No. 77—**Mr. Cossitt:**

1. Is the government aware of any incident occurring at Canada Customs at the Thousand Island Bridge (Port of Lansdowne, Ontario) during the summer of 1974 involving an official on the staff of the Commissioner of Official Languages and, if so (a) on what date (b) at what time (c) what was its nature?

2. (a) Is the government aware that the official's name was Mr. G. Robitaille (b) is the government aware of his position on the staff of the Commissioner of Official Languages and, if so, what is that position?

3. Did Mr. Robitaille speak perfect English when he was first questioned by Canada Customs?

4. (a) Did Mr. Robitaille subsequently demand that bilingual Canada Customs Officer Mr. Len David be summoned to the Port, a distance of some miles from his home after midnight to speak to him in French (b) was the Officer not only off duty but also on his holidays at the time he returned by this order?

5. What is the identity of the District Chief of Port Operations or any other persons investigating this incident and (a) on what date did the investigation take place (b) what were the specific findings (c) to whom was the report made (d) what action, if any, was taken or what action will be taken (e) was there any communication to or from the Department of National Revenue and the Commissioner of Official Languages or anyone else on the Commissioner's staff on this matter and, if so (i) on what date (ii) what was the specific nature of such communication?

6. Is the Department of National Revenue taking steps to prohibit such incidents at places under its jurisdiction by the Commissioner of Official Languages or by persons on the Commissioner's staff and (a) if so, what are these steps (b) if not, for what reason?

Hon. Ron Basford (Minister of National Revenue): In so far as the Department of National Revenue is concerned: 1. Yes. (a) July 3, 1974; (b) At approximately 1:00 a.m.; (c) Language of service.

2. (a) Yes; (b) Yes; Secretary General.

3. Yes.

4. (a) No. He demanded to be spoken to in French but he did not ask for a specific officer; (b) No, he was on call.

5. The investigation was carried out by the Regional Collector of Customs and Excise, Ottawa Region; (a) July 23, 1974; (b) It was determined that Mr. Robitaille asked for bilingual services which were not available on that shift. (c) Official Languages Program Section, Customs Operations Branch; (d) No action contemplated; (e) Yes. (i) Various dates subsequent to July 16, 1974; (ii) Request by Commissioner of Official Languages for comments and Department response.

6. No; (a) N/A; (b) The Department of National Revenue has no jurisdiction over the office of the Commissioner of Official Languages.

REQUEST FOR FINANCING AID FOR HIGHWAY IMPROVEMENTS IN QUEBEC CONSTITUENCIES

Question No. 78—**Mr. Fortin:**

Since July 1, 1968 (a) for which highway improvement projects in the constituencies of Lotbinière, Arthabaska and Nicolet has the Government of the Province of Quebec requested financial aid from the government (b) has the government contributed?

Hon. John N. Turner (Minister of Finance): (a) The Government of the Province of Quebec requested financial assistance from the Federal Government under the Federal-Provincial Employment Loans Program as follows: 1. Comté d'Arthabaska, Route TransQuébécoise, St-Albert to Trans Canada including bridges, 12 miles, $1.4 million; and 2. Comté de Lotbinière, Route No. 3, St-Antoine-de-Tilly, 3.5 miles, $627,000. (b) Federal loans totalling $2,027,000 were advanced to Quebec for these projects. As per the terms of the Federal-Provincial Employment Loans Program, loan forgiveness totalling $92,657.81 has been approved with respect to on-site labour costs incurred on the projects.

DEPARTMENT OF PUBLIC WORKS PLANS FOR FORMER POST OFFICE, STEPHENVILLE, NFLD.

Question No. 87—**Mr. Marshall:**

What are the plans of the Department of Public Works for disposal or use of the former post office building in Stephenville, Newfoundland?

Hon. C. M. Drury (Minister of State for Science and Technology and Minister of Public Works): The tentative date for the issuance of the final certificate of completion is October 31, 1974. At that time, all other government departments will be canvassed to determine whether further federal accommodation needs exist which can be satisfied by the post office building. Should no such needs exist, then the property will be retained under federal control but the possibility of leasing it to non-federal interests will be considered.

ASSISTANCE UNDER HOME OWNERSHIP PROGRAM IN NEWFOUNDLAND

Question No. 89—**Mr. Marshall:**

1. How many applications have been approved in Newfoundland under the Assisted Home Ownership Program?

2. What amount of money has been allocated under the Assisted Home Ownership Program to Newfoundland (a) the province in total (b) to each of the seven federal electoral districts in Newfoundland?

Hon. Barney Danson (Minister of State for Urban Affairs): 1. Applications for 148 housing units, totalling $3,307,000 were approved in 1973. Applications for 557 housing units, totalling $13,772,000 were approved during the period January-August 1974.

2. (a) $16.8 million. (b) AHOP funds are allocated on a provincial basis only and are not redistributed on the basis of federal electoral districts. Funds were committed as applications were received and processed, wherever they might have originated in the province.

INDUSTRIAL DEVELOPMENT BANK—LOANS IN ATLANTIC PROVINCES

Question No. 90—**Mr. Marshall:**

1. Of the 240 loans amounting to $9,601,000 made by the Industrial Development Bank in the Atlantic Provinces during April, May and June, 1974 (a) what was the total number of loans made in each province (b) what was the total amount of money loaned in each province?

2. In April, May and June, 1973 (a) what was the total number of loans made by the Industrial Development Bank in the Atlantic Provinces (b) what was the total number of loans made in each province (c) what was the total amount of money loaned in each province?

3. For each month during the period October 1 to December 31, 1973 and January 1 to June 30, 1974, of the total loans made by the Industrial Development Bank in the Atlantic Provinces (a) what was the total number of loans made in each province (b) what was the total amount of money loaned in each province?

Hon. John N. Turner (Minister of Finance): 1. During April, May and June 1974 the number and amount of loans authorized by the Industrial Development Bank in the Atlantic provinces were as follows: Newfoundland, 71 for $2,362,000; P.E.I., 20 for $444,000; Nova Scotia, 77 for $3,472,000; New Brunswick, 72 for $3,323,000; Total: 240 for $9,601,000.

2. During April, May and June 1973 the number and amount of loans authorized by the Industrial Development Bank in the Atlantic provinces were as follows: Newfoundland, 55 for $2,028,000; P.E.I., 27 for $795,000; Nova Scotia, 90 for $2,412,000; New Brunswick, 74 for $3,715,000; Total: 246 for $8,950,000.

3. Information concerning the lending activity of IDB is published on a quarterly rather than on a monthly basis. The figures requested for the period October 1, 1973 to June 30, 1974 are as follows: Newfoundland, 182 for $5,852,000; P.E.I., 60 for $2,026,000; Nova Scotia, 182 for $6,217,000; New Brunswick, 210 for $10,647,000; Total: 634 for $24,742,000.

DISABLED PERSONS ACT—ADVISORY BOARD PERSONNEL

Question No. 91—**Mr. Marshall:**

Under the Department of National Health and Welfare, and specifically the Disabled Persons Act what are the names of the two representatives of the government and the two representatives of each province who serve on the Advisory Board and (a) on what date were the appointments made (b) what remuneration do they receive?

Hon. Marc Lalonde (Minister of National Health and Welfare): The Advisory Board established by the Disabled Persons Act has not met since 1959 and with the phasing out of the disabled persons program, it is not anticipated that there will be future meetings of the board. It consisted of two representatives of the government of Canada, appointed by the Governor in Council, and two representatives of each of the provinces with which agreements had been made, appointed by the Governor in Council on the recommendation of each province. The federal representatives on the Advisory Board were the Minister of National Health and Welfare and the deputy minister of welfare. The minister in charge of welfare for each province, except Ontario, was one of the two provincial representatives. The other representative was either the deputy minister or the chief administrative officer in charge of assistance and allowances. In the case of Ontario the representatives were the deputy minister of public welfare and either the director of welfare allowances or another senior administrative officer. Although not a member of the board, the Ontario minister of public welfare attended the meetings. (a) The last appointments to the Advisory Board, pursuant to subsection (3) of Section 11 of the Disabled Persons Act were made by P.C. 1959-1311 dated October 8, 1959. (b) Members were reimbursed for travelling expenses incurred in attending meetings but did not receive other remuneration.

DISABILITY PENSIONS AND WAR VETERANS ALLOWANCE

Question No. 110—**Mr. Marshall:**

Is any consideration being given to amending the Pension Act (a) to provide for pensions for widows of deceased pensioners who were in receipt of pensions of less than 48 percent and, if not, for what reason (b) to provide exemptions for veterans in receipt of partial disability and also receiving War Veterans Allowances so that periodic increases in disability pensions will not be deducted from maximum allowance of CWA/WVA allowances and, if not, for what reason?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Any such action would by a matter of government policy and would be announced in the usual way.

ADJUDICATION OF PENSION CLAIMS

Question No. 111—**Mr. Marshall:**

Is any consideration being given by the Department of Veterans Affairs to overcome the long delays in adjudicating applications for pension applicants and, if not, what are the reasons for the undue delays?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): The Canadian Pension Commission is making every effort to adjudicate pension claims in as short a time as possible commensurate with the requirements of the Pension Act.

PENSION ACT—BENEFIT OF DOUBT CLAUSE

Question No. 112—**Mr. Marshall:**

Is any consideration being given by the Department of Veterans Affairs to review the "intent" of the Benefit of Doubt Clause to indeed giving the veteran applicant the benefit of doubt and, if not, what is the meaning of the clause in its application by the Pension Commission?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): The benefit of the doubt is given in every claim before the Canadian Pension Commission and indeed, because of this section of the Pension Act, pensions have been granted to many veterans who would otherwise not have received an award.

DREE—NUMBER OF PERSONNEL IN RECEIPT OF SALARIES IN EXCESS OF $20,000

Question No. 139—**Mr. Herbert:**

How many public servants in the Department of Regional Economic Expansion received T4 slips for 1973 showing gross remuneration in excess of (*a*) $20,000 (*b*) $30,000 (*c*) $40,000?

Order Paper Questions

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: (a) Over $20,000, 212; (b) Over $30,000, 17; (c) Over $40,000; 1.

CBC—PAYMENT TO FREELANCE CONTRIBUTORS

Question No. 155—**Mr. Clark (Rocky Mountain):**

1. In the past fiscal year, what was the total payment by CBC to freelance contributors and (*a*) programming generally (*b*) news or public affairs commentary?

2. In the past fiscal year, what was the total amount paid by CBC to freelancers who were not Canadian citizens for contributions to (*a*) programming generally (*b*) news or public affairs commentary?

3. What is (*a*) the annual budget (*b*) the freelance budget (*c*) the total staff (*d*) the on-the-air staff of CBC offices in each of London, England, Washington, USA and Paris, France?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. In the 1973/74 fiscal year $34.3 million was spent on performers' fees authors', composers' and other performing rights, the greater part of which amount was paid to freelance contributors. A breakdown by the categories of programming generally and news or public affairs commentary is not readily available.

2. The corporation does not have a record of the total amount paid by the CBC to freelancers who were not Canadian citizens for contributions to (a) programming generally, (b) news or public affairs commentary.

3. (a) It has not been customary to require the CBC to disclose such details of its internal management and administration as the annual budgets for individual locations. (b) Freelance budgets are not assigned to foreign offices of the CBC. (c) Total staff: London, England, 22; Washington, U.S.A., 9; Paris, France, 17; (d) On-the-air staff (news correspondents) London, England, 3; Washington, U.S.A., 3; Paris, France, 2.

CANADIAN PENSION COMMISSION

Question No. 198—**Mr. Herbert:**

1. Has the study of the Canadian Pension Commission to determine where inequalities exist because of sex been completed?

2. Is legislation contemplated to correct any such inequalities?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Yes.

2. Yes, under Bill C-16, the omnibus bill relating to the equality of status of male and female persons.

STAFF OF INSPECTOR GENERAL OF BANKS

Question No. 211—**Mr. Howie:**

1. How many persons are employed on the staff of the Inspector General of Banks?

2. How many investigations were completed from January 1, 1973 to January 1, 1974 and how many infractions were reported during this period of time?

[Mr. Herbert.]

Hon. John N. Turner (Minister of Finance): 1. Three.

2. Ten chartered banks and one Quebec savings bank were examined in the period January 1, 1973 to January 1, 1974. No infractions were reported during this period.

AMBULANCE SERVICES

Question No. 213—**Mr. Howie:**

What, if any, assistance is now offered or planned to assist the provinces in providing ambulance services?

Hon. Marc Lalonde (Minister of National Health and Welfare): There is limited sharing under the Hospital Insurance and Diagnostic Services Act in respect of ambulance services where an in-patient requires to be taken to another hospital for diagnostic tests and the like and is returned to the original hospital. Where ambulance services are provided to a person meeting a needs test under a provincial social assistance program, the federal government shares in half of the cost of the services under the Canada Assistance Plan.

OUTSTANDING PENSION HEARINGS IN NEW BRUNSWICK

Question No. 217—**Mr. Howie:**

On September 30, 1974, how many veterans from New Brunswick were waiting for hearings in respect to their disability pensions, pension increases or adjustments?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Statistics are not maintained with respect to place of origin of pension applications at the first decision level. However, as of September 30, 1974, there were 258 applications from New Brunswick for an entitlement board or a hearing as to quantum of pension, which had not yet been considered. Of this number 128 are in the course of having a Statement of Case prepared in the manner and form required by the Pension Act for an entitlement board, or are being prepared for a hearing as to quantum; 13 are ready to be heard and 117 had been referred to the applicant, usually through his advocate, to determine whether he is satisfied with the Statement of Case or other documentation and to certify that he is ready to proceed.

FEDERALLY FUNDED FREE SCHOOL MILK PROGRAM

Question No. 219—**Mr. Howie:**

Will consideration be given to a federally funded free school milk programme for grammar school children using whole milk?

Hon. Marc Lalonde (Minister of National Health and Welfare): The federal government shall rely on the improved family allowances program and a revised income security program to enable families to maintain proper nutrition standards for their children.

TEAM CANADA—USSR SERIES

Question No. 221—**Mr. Howie:**

1. Are any plans now underway for another Team Canada-USSR series?

2. Are any negotiations underway for a NHL-WHA team to represent Canada?

3. At what stage are any such negotiations?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Before definite plans for any future series of this kind can be considered, a detailed and objective assessment of all aspects of the just completed 1974 series is required.

2. There are presently no negotiations underway for a NHL-WHA team to represent Canada.

3. Not applicable.

ASSISTED HOME OWNERSHIP PROGRAM

Question No. 240—**Mr. Cossitt:**

1. For what reason has the government instituted a change in the Assisted Home Ownership Program through Central Mortgage and Housing Corporation to apply to new dwellings only?

2. Is the government discriminating against those who wish to purchase older homes under this plan and, if so, for what reason?

3. Is this change in policy a first step towards eliminating entirely this program?

4. Is the government planning on raising the present maximum amount allowed under this program to meet the rising cost of new dwellings caused by inflation and, if not, for what reason?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. Funds under the Assisted Home Ownership Program had been directed towards new housing so that the limited funds left from this most successful program were utilized for the kind of accommodation that was most urgently needed. This had the added benefit of increasing employment in the building industry and adding to the housing stock.

2. The government has no intention to discriminate. See No. 1.

3. No. As soon as additional funds are available, the AHOP loans will be continued.

4. Amounts for the program are under constant review and necessary adjustments are made when required.

FARM IMPROVEMENT LOANS ACT—APPLICATION FOR LOANS, SASKATOON-BIGGAR

Question No. 247—**Mr. Hnatyshyn:**

How many applications were received from the constituency of Saskatoon-Biggar for loans under the Farm Improvement Loans Act for each year 1970 to 1973 (a) how many were approved (b) what amount of money was involved (c) what percentage of loans were or are in default?

Hon. John N. Turner (Minister of Finance): The requested data is not maintained by electoral district.

MOBILE POLLS FOR HANDICAPPED VOTERS

Question No. 248—**Mr. Hnatyshyn:**

Is the government giving any consideration to the provision of a system of mobile polls for handicapped voters who are unable to use regular polling stations?

Hon. Mitchell Sharp (President of the Privy Council): Representations of this nature are normally considered by the Standing Committee on Privileges and Elections. The Chief Electoral Officer has received a number of representations along the lines of the question and has informed the correspondents that he would be pleased to lay their representations before that committee when it next sits, on the instructions of the House, to consider amendments to the Canada Elections Act if they would write him to that effect.

DREE PROGRAM AS IT AFFECTS KOOTENAY WEST AND OTHER FEDERAL RIDINGS

Question No. 264—**Mr. Brisco:**

Has the Minister of Regional Economic Expansion had any recent communication from the Government of British Columbia which would indicate that it is the intention of that province to withdraw its participation from the DREE program as it affects Kootenay West and other federal constituencies?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to the Minister of Regional Economic Expansion): The Minister of Regional Economic Expansion has not had any communication from the government of British Columbia suggesting any intention on their part to withdraw participation from DREE programs as it affects Kootenay West and/or other federal ridings in the province.

EXAMINATION OF "IRVING WHALE"

Question No. 268—**Mr. Macquarrie:**

1. (a) How many underwater examinations have been conducted on the hull of the *Irving Whale* (b) on what dates (c) by whom?

2. What technical personnel other than officers of the Department of Transport have participated in these examinations?

3. What is the government's present intention in reference to the removal of the *Irving Whale*?

4. From what consultants outside the Department has advice been sought?

5. Is the government aware of the view of the Government of Prince Edward Island concerning the alleviation of the environmental pollution threat posed by the *Irving Whale*?

6. On what date and by whom were such views transmitted?

Hon. Jean Marchand (Minister of Transport): 1. (a) Five underwater examinations have been conducted on the hull of the *Irving Whale*; (b) These examinations were conducted in September 1970 when the vessel sank, in September 1971, again in October 1973, May 1974 and the last examination in July 1974; (c) All examinations, except May 1974, were carried out by the Ministry of Transport. The May 1974 examination was made by the Department of the Environment by television and photography only.

2. The technical personnel, other than officers of the Ministry of Transport, who have examined the *Irving Whale* are Captain Sven Madsen of Exxon Ltd., New York, New York, as oil pollution and ship's consultant, and James Haase, P. Eng., Montreal, Quebec, Engineering and Salvage Consultant to this Ministry.

3. The government's present intention is to leave the *Irving Whale* where it is, as attempts to salvage the vessel may create the very problem we are trying to avoid.

4. Advice has been sought, among others, from the following: (a) Professor Johannes Molgaard, B.Sc., Ph.D., Associate Professor of Engineering, Memorial University, St. John's, Newfoundland, on Corrosion of Steel; (b) J. E. Benoît and Associates, Montreal, on Insurance details during and after salvage activities; (c) James Haase, P. Eng., AMICE, Consulting Engineer, Salvage, Montreal, Quebec; (d) Captain Sven Madsen, Marine Environmental Specialist, Exxon Ltd., New York, New York; (e) Captain

W. R. Colbeck, Salvage Expert, Birkenhead, England; (f) Dr. E. C. B. Corlett, Naval Architect and Ship Designer, Basingstoke, Hants, England; (g) Mr. Crothall, Trinity House, London, England, Salvage Methods; (h) John D. Wears, Technical Manager and Principal Surveyor, Salvage Association, London, England; (i) Dr. Molly Spooner, Scientist, Plymouth Laboratory of the Marine Biological Society of the United Kingdom, Plymouth, England; (j) D. Morrice, Chief Salvage Officer in the Directorate of Fleet Maintenance in the Admiralty, London, England; (k) Messrs. P. van den Berg, Captain Moerkerk and C. Kooij, Salvage Experts of Smit-Tak International Salvage Company, Rotterdam, Holland; (l) In addition, a circular letter was sent to all known sources of information on a worldwide basis, seeking advice or possible information on this subject.

5. The government is aware of the view of the government of Prince Edward Island concerning the environmental pollution threat posed by the *Irving Whale*.

6. On July 30, 1974, at a press conference in the federal building in Charlottetown, on *Irving Whale* matters; the Hon. Minister of Environment and Tourism, quote "expressed satisfaction that the federal government had responded to a resolution passed at the spring session of the provincial Legislature, urging the federal government to take action on the matter of the "Whale" from the *Journal Pioneer*, Summerside, Prince Edward Island.

NEW DESIGN FOR PASSPORT COVERS

Question No. 272—**Mr. Munro (Esquimalt-Saanich):**

1. Who ordered that new designs for passport covers be prepared?

2. For what reason was such an exercice undertaken?

3. (a) Who prepared the designs (b) at what cost?

4. On what date were the proposed designs put on display in the foyer of the new office building of the Department of External Affairs?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The Under-Secretary of State for External Affairs.

2. (a) Generally, to improve and modernize the Canadian passport which has remained basically the same for over 50 years; (b) In particular, to provide an outside cover whose nationality could be quickly recognized by immigration, airline, or other travel personnel when sorting the variety and volume of passports which have to be handled expeditiously with group tours or with each flight of increasingly large capacity aircraft; (c) Also, to ensure that individual Canadian travellers get the full advantage of their Canadian citizenship without risk of confusion with any other nationality; (d) To retain inside the passport in an attractive manner any features which could be confusing if glanced at quickly on the front cover.

3. (a) The designs were prepared by: (1) Design Collaborative Montreal Ltd. (2) Gottschalk and Ash Limited, Montreal (3) Charette Designers Inc., Montreal (4) Canadian Bank Note Co., Ottawa; (b) The costs involved are: (1) $4,584 (2) $4,256 (3) $1,176 (4) $5,600.

4. Tuesday, March 19, 1974.

[Mr. Marchand (Langelier).]

DONOVAN JOY

Question No. 306—**Mr. McKinnon:**

1. Was Mr. Donovan Joy allotted priority one space on a service aircraft from Comox to Ottawa on April 22, 1974 and, if so (a) by whom was it authorized (b) what was the purpose of Mr. Joy's trip to Ottawa?

2. On what date did Mr. Joy cease to be on the government payroll in favour of being a Liberal candidate in the 1974 general election?

Mr. Len Marchand (Parliamentary Secretary to the Minister of the Environment): 1. (a) Yes, requested by the minister and authorized by the Minister of National Defence; (b) To advise the minister upon the completion of reports.

2. May 23, 1974.

IMPORTATION OF SUGAR

Question No. 316—**Mr. Herbert:**

1. What action is the government taking or contemplating to increase imports of sugar from the Caribbean Islands?

2. What is the effect of transportation costs from South Africa on the price of sugar?

3. Is the government able to estimate what proportion of the sugar market has already been purchased in the next five years and is there any preliminary plan to ration supplies in the event of a shortage?

Mr. Gaston Clermont (Parliamentary Secretary to the Minister of Industry, Trade and Commerce): The West Indies has experienced declining production of sugar for several years. British Honduras has been able to ship only 13,000 tons of sugar to Canada in 1973 and Jamaica 8,000 tons in 1974. This year the West Indies was not able to fulfil its quota under the Commonwealth Sugar Agreement and prospects for a return to normal production are not favourable. In recent years the West Indies has favoured the United States market over that of the United Kingdom or Canada for whatever sugar has been available.

2. Because of the system of pricing sugar in Canada the transportation costs of sugar from any country of origin, are not taken directly into account. The price of sugar in Canada is linked directly to the London daily price, which is a CIF price and includes the Caribbean-United Kingdom freight rates which, in turn is adapted to the Caribbean-Canada rate.

3. Should current discussions with sugar producers, result in agreement, if is expected that almost half of Canadian requirements will have been committed for the next three years. It is not expected that any shortage of sugar in Canada will occur to the extent that rationing will be required.

OIL SPILLS AT SAGLEK BAY

Question No. 353—**Mr. Forrestall:**

1. What was the amount of oil spilled at the NORAD communications relay centre at the Saglek Bay site that occurred on August 2, 1974?

2. What was (a) the method deployed to clear up the spill (b) time involved (c) total cost of the operation?

3. What party or parties paid for the oil clean-up and the replacement cost of the oil?

4. Who has been identified as the party responsible for the spill and what are the specific charges that have been laid against the offender?

5. What precautions have been taken to assure that this situation will not occur again?

6. Have there been previous occurrences of oil spills in the Saglek Bay area and, if so (a) on what dates did they occur (b) what was the cost involved (c) who was responsible for the spill (d) what charges, if any, were laid?

Mr. Len Marchand (Parliamentary Secretary to the Minister of the Environment): 1. The amount of oil spilled was estimated to be 501,784 U.S. gallons.

2. (a) Clean-up at this comparatively isolated site was undertaken through the co-operative efforts of the Department of National Defence, the Ministry of Transport, the Department of the Environment, the United States Air Force and the International Telephone and Telegraph Corporation (IT&T), responsible under contract for operation and maintenance of the base. The methods applied included: (i) Controlled burning of spilled oil on the ground surface to prevent further run-off into Saglek Bay; (ii) Pumping to storage the oil contained by diking; (iii) Flush out of oil retained in the porous soil, collection of the recovered material in pools and prepared ditches and subsequent transfer to storage; (b) Clean-up operations proceeded for approximately one and a half months. The onset of winter curtailed the work which will be completed following spring break-up; (c) Total cost of the operation is being compiled, with the expectation that it will exceed $300,000.

3. Initially, costs have been born by the various agencies involved and by IT&T.

4. An investigation which is currently under way to identify the responsible party, is expected to be completed by mid-November.

5. All such installations will be examined and specific environmental protection requirements will be prescribed.

6. No reports have been received in the past respecting oil spill incidents at Saglek.

PORTABLE DEVICE TO REPLACE PRESENT ARTIFICIAL ENDOCRINE PANCREAS

Question No. 355—**Mr. Howie:**

1. Was an application made to the Canadian Medical Research Council for a grant to develop a portable device to replace the present artificial endocrine pancreas which is too bulky for anything but hospital use and, if so, have any grants been made or money paid for this purpose?

2. Have any applications been rejected and, if so, for what reasons?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. An application was considered by the Medical Research Council. No grant was made for this purpose.

2. The application was not approved. In the interests of the applicant the Medical Research Council does not release information except to the applicant, about the reasons for a specific application not having been sucessful.

EXTENSION OF PROVISIONS OF THE VETERANS' LAND ACT

Question No. 402—**Mr. Jones:**

1. What consideration has been given to extending the provisions of the Veterans' Land Act?

2. Has the Minister of Veterans Affairs considered an immediate review of the requirements for entitlement to Veterans' Land Act benefits with a view to eliminating the present lot size requirement and substituting therefor lots duly approved by a municipal or provincial jurisdiction and, if so, on what date will the review be completed and a decision made?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1 and 2. As I stated in the House on October 10, 1974, the government is giving careful consideration to the whole matter of the Veterans' Land Act and an announcement on this subject will be made at a very early date.

ASSISTED HOME OWNERSHIP PROGRAM

Question No. 425—**Mr. Orlikow:**

1. How much money was allocated to the Assisted Home Ownership Program for 1974?

2. In which cities were funds under AHOP available?

3. How many housing units, new homes or existing homes, have been approved for purchase under AHOP?

Hon. Barney Danson (Minister of State for Urban Affairs): 1. The budget allocation for the Assisted Home Ownership Program in 1974 was originally $300 million. This was subsequently increased and the final allocation totalled $450 million.

2. AHOP funds were available throughout Canada.

3. The total number of housing units approved for the period January 1—October 17, 1974 was 17,252, 60 per cent of which was for new housing. Currently, the Central Mortgage and Housing Corporation has approximately 1,250 additional applications in process.

ARCTIC POLLUTION PREVENTION CERTIFICATES

Question No. 473—**Mr. Forrestall:**

1. For what reason are none of the vessels operated by the government inspected or issued with Arctic Pollution Prevention Certificates?

2. Does this result from government policy?

3. What does this absence of certificates mean in terms of the level required of government owned and operated ships in terms of pollution prevention requirements otherwise expected of non-government vessels?

4. Would all government ships operating in the Arctic be able to pass such standards and, if not, in which cases?

Hon. Jean Marchand (Minister of Transport): 1. The Arctic Waters Pollution Prevention Act does not apply to any ship owned by Her Majesty.

2. Yes.

3. Government ships intended for Arctic service are, in general, constructed to standards higher than those applying to commercial ships for comparable service. Ship Masters are under standing instructions to ensure that pollution prevention requirements are observed.

4. Yes.

Oral Questions

FM BROADCASTING, NEW BRUNSWICK

Question No. 500—**Mr. Fairweather:**

1. Is New Brunswick included in the plans of CBC for an FM radio network?

2. Will FM reception be available to citizens of the City of Saint John?

3. For what reason was New Brunswick not included in the recent announcement about the inception of FM broadcasting by CBC in St. John's, Newfoundland and Halifax, N.S.?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Yes.

2. Yes.

3. The Canadian Broadcasting Corporation had originally planned to apply to the CRTC during 1975 for a license for an FM radio station to serve the Fredericton-Saint John area. Heavy constraints on the capital budget of the CBC have forced it to delay these plans. It is the intention of the corporation to proceed with these plans as funds become available.

● (1410)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

EUROPEAN ECONOMIC COMMUNITY—REQUEST FOR TABLING OF AIDE MEMOIRE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I address a question to the Prime Minister. Has the Prime Minister now had an opportunity to consider the tabling of the aide-mémoire that the government submitted to the European Economic Community early in the year? Has the Prime Minister had an opportunity of consulting the minister concerned, and is he now prepared to table the aide memoire?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. I did discuss the matter with the Secretary of State for External Affairs, and we agree that there would be advantage in permitting the Canadian public to be informed of these matters by tabling. I am having the pieces put together and translated, but I am certain I will be able to table them tomorrow. There will be the aide-memoire, the draft trade agreement, and a statement that was made in September either in Washington or in New York, I cannot recall which, explaining the Canadian position on these two documents. I am quite certain that they will be ready for tabling tomorrow.

* * *

CONSUMER AFFAIRS

SUGGESTED PUBLICATION OF NAMES OF RETAILERS ALLEGEDLY PROFITEERING IN BEEF

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the documentation provided on Friday by the Food Prices Review Board showing that certain retail outlets are selling beef at considerably different prices from others, with the clear implication that some are in fact indulging in what is appropriately called profiteering, would the minister consider making known to the public the names of the chains concerned in particular cities and the prices at which they are selling beef?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I understand that the information was obtained by the Board on condition that it remain confidential. The chairman of the Board to whom I directed the same question as asked by the hon. member today has advised me that it is not possible for the Board to disclose confidential information.

[*English*]

SUGGESTED REDUCTION IN PRODUCTION OF BEEF AS MEANS OF INCREASING RETURNS TO PRODUCERS—MINISTER'S POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a supplementary question to the minister. In view of the fact that Mr. Burton, a member of that board, at a press conference on this subject on Friday said that the only way of ensuring that the farmer or cow-calf producer will get a greater share or a just price for his product is to decrease the supply of beef in the coming months, and in particular, if I may quote him, that "the only people able to do that are the well established ranchers", is this in the minister's view an appropriate way of dealing with the production of beef both from the consumers' point of view and in the long run interests of the beef producers themselves?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, this report was made public last Friday. We are considering its various aspects and some suggestions from that report may be followed up later this week.

[*English*]

Mr. Broadbent: May I put a final supplementary question, Mr. Speaker. The minister apparently did not hear the question. I was not in this instance referring to what was in the report but to what one of the board members said at the press conference which was called to explain or elaborate upon the report. A Mr. Burton on the Food Prices Review Board is quoted as saying that the only way to deal with the situation we are now confronted with in the beef industry is to decrease the supply of beef. I am asking the minister concerned, from the point of view of the consumers, whether he believes this is the best approach at this time.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I did understand the question but I do not wish to comment on a statement made outside the House by a member of that Board, before knowing exactly what was said.

[*English*]

REASON FOR DIFFERENCES IN PRICES CHARGED BY SAME RETAILER IN TORONTO AND OTTAWA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the minister has stated it is not possible to deal with individual cases, the evidence of which he has not in his possession. I want to draw to his attention and get his observations on two advertisements appearing on the same day, one in the Toronto *Star* and the other in the Ottawa *Citizen*, by the same company. From my examination, the interesting thing is that sirloin steak was advertised for sale in Toronto at $1.48 a pound and in Ottawa it was 20 percent higher at $1.79. This is the same ad with the same wording. Porterhouse steak was $1.78 in Toronto and $1.89 in Ottawa and prime rib club steak was $1.48 in Toronto and $1.79 in Ottawa. The minister has said these things are secret, are not known and they cannot be revealed, but an examination will show that, by gosh, the prices are not right, yet these advertisements were by the same company.

In view of these advertisements, and I will let the minister have them although they are ten days old and he should have had them by now, I ask whether he will have this looked into to determine what possible justification there is for this mulcting of the public, as is apparent from these advertisements, while at the same time cattle prices are going down and on the other hand the consumer is being made to pay more and more, providing he lives in Ottawa?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the answer is yes to the first part of the question. As far as the second part is concerned, I shall inquire about the validity of the hon. member's statement.

* * *

AGRICULTURE

REQUEST FOR FEDERAL AID FOR BEEF PRODUCERS—GOVERNMENT ACTION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the right hon. Prime Minister, in the absence of the Minister of Agriculture.

I am convinced the Prime Minister is not insensible to the farming conditions in Quebec as well as throughout the country. Sad demonstrations have taken place over the week end in the province of Quebec and similar ones are likely to occur in other provinces. I think the farming population of the country expects the Prime Minister to take a position. to make statements in order to meet the farmers' normal and fair demands.

Therefore, would the Prime Minister assure the House that his government will introduce some measures in this respect, even in the absence of the Minister of Agriculture. Does the government intend to introduce measures in order to satisfy farmers and beef producers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is certainly aware that the Minister of Agriculture is presently in Rome as a participant to a conference which is extremely important for the food situation in the world. Last week he replied on a number of occasions to questions similar to those of the Social Credit leader. Before leaving, he most certainly brought out the issue during Cabinet meetings and initiated a number of working plans which may hopefully lead to a solution of this problem.

* * *

[*English*]

THE BUDGET

ANNOUNCEMENT OF DATE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, have the Minister of Finance and the Prime Minister now completed their consideration of the points of view and exchanges that occurred last Wednesday and Thursday with the provincial premiers, and also between the Prime Minister and the labour leaders, and, if so, would he now tell the House what date he is going to fix for the budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I plan to bring down the budget two weeks from now, Monday, November 18. In view of this date, I shall not be announcing plans to deal with the $525 million Government of Canada bonds due December 31, 1974 until the afternoon of November 19.

* * *

● (1420)

TRADE

CANADA-UNITED STATES AUTO PACT—POSSIBILITY OF READJUSTMENT IN VIEW OF DEFICIT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the deficit in trade with the United States in motor vehicles and parts of nearly three-quarters of a billion dollars during the first nine months of this year which indicates a deficit for the 12 months of between $1 billion and $2 billion, I should like the minister to advise the House if he is engaged now in discussions with the United States government aimed at a readjustment of this pact which was intended originally to be mutually beneficial to both countries.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I believe the pact has been mutually beneficial. I think it has been particularly beneficial to Canada. During this very difficult year, occasioned by the reduction of sales in the United States, Canadian sales have held up and Canadian jobs have held up. I have had discussions with members of the industry on a continuing basis to ensure Canadian interests will be fully secured.

Oral Questions

CANADA-UNITED STATES AUTO PACT—REASON FOR CONTINUING PRICE DIFFERENTIAL ON SAME MODELS PRODUCED IN CANADA AND UNITED STATES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question. It may be interesting some day to hear the minister explain how this pact which is giving us a deficit of $1 billion a year is beneficial to the country. Would he explain why it is that Canada continues to agree to a differential of more than 7 per cent in respect of United States and Canadian prices for the same models produced in Canada and the United States which differential it was stated would be non-existent five years after the pact started in 1965.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, if the hon. member would look at the differential when he was trade minister he would see that it was quite close to 20 per cent. Over a period of years under the aegis of the pact there has been a steady norrowing of the differential. The figure to which I think he is referring is the figure reported by the President of the United States last week in a report to Congress showing the differential had been reduced to 7 per cent. That was based on the beginning of the 1974 model year. As a result of negotiations with the automobile manufacturers in Canada there has been a continual narrowing of the gap in the 1974 and 1975 model years.

Mr. Hees: I have a final supplementary, Mr. Speaker. Is the minister not aware of the fact that I was the one who started the negotiations and that without such negotiations there would not have been any auto pact. Does he feel that the existence of something today, which it was promised at the time of the signing of the pact would not exist, is justified in any shape or form, and if so how?

Mr. Speaker: The hon. member for Esquimalt-Saanich.

* * *

ENERGY

CONSULTATIONS WITH MARITIME PROVINCES ON OFFSHORE RIGHTS—AREAS OF DISAGREEMENT—REQUEST FOR TABLING OF A REPORT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. In reply to a question I asked the minister on October 23, as recorded on page 645 of *Hansard*, the minister indicated that the federal and provincial authorities were in substantial agreement on the east coast as to the regime for covering offshore rights and jurisdictions. This suggests there were certain disagreements. Is the minister prepared to tell the House the area in which disagreement occurred. Was it in respect of the nature of the resource or the manner of splitting the revenue from the resource?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, without looking up the answer I think I referred to the fact that four of the five eastern provinces and the federal government were in substantial agreement and the province of Newfoundland was not. In respect of any remaining differences between the four provinces and the federal government, I could not respond from memory but my impression is that the difference was very slight. One critical matter was how to achieve the interfacing with the very important lines of demarcation between the four provinces and Newfoundland.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, would the minister be prepared at an appropriate moment and fairly soon to table a report of the government on the eastern seaboard in respect of these matters.

Mr. Macdonald (Rosedale): I could consider that. I invite the hon. gentleman to reflect on the fact that this is a matter that is in negotiation and I think I would have to decide as to whether tabling it would bring about an early conclusion or might move us farther away from it.

* * *

GRAIN

DATE OF COMPLETION OF SURVEY OF STOCKS—ASSURANCE OF ABILITY TO MEET EXPORT COMMITMENTS

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to ask the minister in charge of the Canadian Wheat Board whether he can tell the House if the recent survey undertaken by the Canadian Wheat Board as to grain stocks in western Canada has been completed, and if he could give us some indication as to what the survey contains. Could he also assure the House that Canada will be able to meet the export commitments that it has made in the forseeable future?

Hon. Otto E. Lang (Minister of Justice): The usual survey by the Canadian Wheat Board has been completed. If my memory serves me correctly, as of October 16 there was a balance of about 800 million bushels of grain in total, deliverable on the farms.

While we have to obtain the exact figure for the hon. member, let me say that there are adequate supplies of grain of most types, although there is some concern about the availability of barley for malting purposes. So far as wheat is concerned, there is certainly more lower grade wheat than usual on hand. However, the Wheat Board sees a fairly large supply of good quality wheat left over from previous years as well as a substantial amount in this year's crop. We will be making such adjustments in the selling programs as are required to meet the circumstances.

AMOUNT OF CARRYOVER

Mr. Jack Murta (Lisgar): I should like to ask the minister whether the Wheat Board has given him any indication as to the amount of carryover which they would expect at the end of the 1975 crop year. In other words, is Canada prepared to sell down to approximately 100 million bushels or even less to fulfill all the demands for grain that will be received?

Hon. Otto E. Lang (Minister of Justice): The Canadian Wheat Board has been working with the estimated car-

ryover as of August 1, which may be in the order of 100 million bushels lower than last August 1. There is a requirement for carryover to meet the shipments in August and early September when new grain may not be available in any case. Essentially, the Canadian Wheat Board would be prepared, as would the government, to see the carryover being reduced to as low a figure as is practical. There is always concern on the part of the Wheat Board regarding when farmers will in fact begin withholding the final amount of grain even though they had earlier expected to deliver it, and that is not exactly a science but more a matter of general calculation.

* * *

ENERGY

OIL—POSSIBLE REDUCTION IN PRICE BY MIDDLE EAST COUNTRIES IF SOLD TO GOVERNMENT-OWNED COMPANY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The government of Saudi Arabia has proposed a 3½ per cent reduction in the price of crude oil with the proviso that this reduction will be passed on only to the government-owned national oil companies such as those of France and Italy, and will not be passed on to the multinational oil companies. I want to ask the minister whether, in view of the obvious advantages to the Canadian consumers flowing from such an arrangement, the minister is planning any discussions with the OPEC countries, and is the government prepared to set up a national marketing mechanism which could deal directly with the oil producing countries along the lines suggested in the Middle East economic survey released last week in Beirut?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would be quite prepared to have further discussions with various OPEC members along these lines.

As the hon. gentleman may recall from previous statements, this is a proposition which has been communicated to us from time to time. As to putting the mechanism into place here in Canada, there is already a bill on the order paper to create such a mechanism, and as soon as the House can dispose of the petroleum administration act, my priority would be to seek an early passage of the Petro-Canada bill.

Mr. Lambert (Edmonton West): Oil Can Unlimited.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Does the minister envisage the Canada petroleum company, which will be set up under Bill C-8, entering into the purchase on the international market of oil supplies for Canada?

Mr. Macdonald (Rosedale): This was distinctly contemplated by the government when putting the proposal forward, particularly where it is indicated to us that supplies would be available through the Canadian national corporation for the Canadian market where they might not be available through the international majors.

● (1430)

OIL—SUGGESTION BY IRAN TO TIE PRICE TO WORLD COMMODITY INDEX

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary, Mr. Speaker, regarding the proposal of the Shah of Iran to cut oil prices by 14 per cent and his proposal for discussions between the oil consuming countries and the OPEC nations with a view to reaching an international commodity agreement that would tie oil prices to a world commodity index. In view of the fact that this might be more productive than the confrontation which could arise from an international energy agreement such as this government is now contemplating, is the minister pursuing discussions with other oil importing countries regarding the advisability of initiating discussions along the lines suggested by the Shah of Iran?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in reply I would say we should both enter into the IEP and have these discussions. I have had discussions with the minister of petroleum from Saudi Arabia along these lines and I think the Shah's statement over the weekend will contribute further to this. When I saw the Shah earlier this year, at that time they were reluctant to change the price without some kind of international indexing arrangement such as he has referred to. I think these suggestions are very much worth pursuing.

* * *

[*Translation*]

HEALTH

COST OF MEDICAL CARE—CONSULTATION WITH PROVINCES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

In view of the fact that the inflation rate in connection with medical services reached nearly 17 per cent, and that the Medicare program is one of the most important federal-provincial cost-sharing programs, I should like to know whether the right hon. Prime Minister had discussions last week with the provincial premiers about that matter and whether he can report progress in this regard?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, that issue has not been raised by anybody.

[*English*]

PROGRAM FOR MONITORING BIRTH DEFECTS—POSSIBLE CONSULTATIONS WITH UNITED STATES

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of National Health and Welfare, but in his absence I will direct it to the parliamentary secretary. It is related to the program for monitoring birth defects which is to commence later this month in the United States. In view of the fact that Canada does not have a similar program, national in scope, for the surveillance of this very serious problem—I can place this in its perspective by referring to the thalidomide problem in the

past—have the minister or his officials had consultations with United States officials with a view to participating in this worthwhile program which of course has the potential for correcting a very serious problem relating to birth defects which occur in their thousands each year in Canada?

Miss Coline Campbell (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, I should like to thank the hon. member for Lambton-Kent for giving notice of this question. The health protection branch of the department, in co-operation with the provinces, operates the Congenital Anomaly (Birth Defects) Surveillance System. This system has operated since 1970 and was designed to be able to detect increases or decreases in the incidence of congenital anomalies.

The department is aware of the United States system. In fact, a senior official of the department was actively involved and consulted in the early planning stages of their system. We expect to continue to co-operate fully with them and to receive information of their progress and results. If any improvements in other systems come to our attention that we think are feasible, we will use them. We feel, however, that the Canadian monitoring system is as good as any of the others.

* * *

AIR CANADA

CONSTRUCTION OF HANGAR AT WINNIPEG—DATE OF COMMENCEMENT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is directed to the right hon. Prime Minister. Mr. Frank Gray, Air Canada's director of information stated last week that Air Canada is waiting for specific instructions from Ottawa on the new $15 million hangar promised by the Prime Minister for Winnipeg. Considering construction deadlines and the kind of facility the government has in mind, can the Prime Minister tell the House when instructions will be relayed to Air Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Transport answered a similar question a very short while ago and I think he indicated that no specific date had been set when the thing was being proceeded with. It will be ready probably in time for the next—

An hon. Member: Elections!

Mr. Trudeau: —fund-raising dinner of the Leader of the Opposition.

[Mr. Holmes.]

AGRICULTURE

BEEF PRODUCERS—REQUEST FOR ANNOUNCEMENT ON MINISTER'S STATEMENT CONCERNING INQUIRY AND STABILIZATION MEASURES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister about the beef situation and ask if he has any announcement today regarding the two policy statements of his Minister of Agriculture last week, that is, the comprehensive inquiry and the stabilization measures for beef producers this winter. Has he an announcement to make today and if not, why not?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member looks at the answer I gave to the question asked by the leader of the Social Credit party today, he will see why not.

* * *

[*Translation*]

PENITENTIARIES

COWANSVILLE—ALLEGATION ESCAPEE COMMITTED MURDER

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to ask the Solicitor General a question.

In the night of Friday to Saturday, policeman Aimé Pelletier and Dr. Gaston Perreault from Montreal have been shot to death presumably by a Cowansville inmate who was serving a life term for the killing of a taxi driver.

Is it true that Arthur Gagné, a convict, was illegally free since August 18 and that the MUC police services have been formally informed of his disappearance by federal authorities on September 8 only?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, Mr. Gagné has been absent since August 15, 1974. I had not heard the allegation that the police had not been advised until that date and I will have to check on that. I may say that the only news we have so far that Mr. Gagné is suspected of committing this murder is a story in the press. There has been no further evidence than what we have read.

* * *

[*Translation*]

NATIONAL SECURITY

ALLEGED INFILTRATION INTO CANADA OF CIA—REQUEST FOR REPORT

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to ask the Minister a supplementary question and tell him, first of all, that the request was made to him by the president of the Security Council, Mr. Paul-Émile L'Écuyer. I would also like to ask him whether, while he is waiting for a more detailed report on that matter, he could inform the House on the report he would have finally got on the CIA activities in Canada, following the CBC disclosures and following the specific question I put to him last week?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, with respect to the questions put to me last week about

the CIA, to the best of my knowledge we have not yet received a transcript from Radio Canada but we put the request to them the day the question was asked.

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[*Translation*]

TRANSPORT

COLLAPSE OF WHARF AT TADOUSSAC—REQUEST FOR FEDERAL AID—GOVERNMENT POSITION

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, I would like to put a question to the hon. Minister of Transport.

Could he tell the House whether he is aware of the collapse, during this past week-end, of the Tadoussac wharf which was used by ferry-boats on the Saguenay, thus compelling truckers heading toward or coming from the northeastern part of the province of Quebec to take a diversion road which makes a trip over 200 miles longer? And in the affirmative, could he tell the House if he intends to take emergency action to deal with this problem?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am aware of the accident which seriously hinders traffic on the North shore. Unfortunately, it is not in accordance with federal policy to maintain, repair or rebuild wharves linking two sections of a road located within the same province. This means that the province of Quebec will have—what I say is right, Mr. Speaker—to repair this wharf itself. If we can be of any help in the meantime, we shall be glad to do so.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

PROGRAM FOR BRITISH COLUMBIA—REASON FOR DELAY

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Several days ago in response to a question he said that his department was anxious to enter into the final agreement with the province of British Columbia but he had not received a response from them. Can the minister tell the House why that province does not find the program of regional economic expansion as attractive as the other provinces find it?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): No, Mr. Speaker, I cannot answer that question in the terms used by the hon. member. I can say, however, that subsequent to his question I made some inquiries and the Northwestern Development Agreement for British Columbia is moving ahead quite satisfactorily. I got the impression that it will be possible for us to reach agreement on specific projects in the relatively near future. I would repeat what I said earlier; we are prepared to go ahead as fast as possible and are ready to discuss these matters with the government of British Columbia at any time.

* * *

TRANSPORT

UNITED NATIONS ACCORD ON MARITIME TRAFFIC—GOVERNMENT POSITION ON RATIFICATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Transport, further to one I asked a few days ago regarding the 40-40-20 formula with respect to the movement of goods in and out of Canada and the very real possibility of a Canadian merchant fleet being built up for the first time in 30 or 40 years. Can the Minister give us some indication of what Canada's position will be with regard to ratification of that accord?

● (1440)

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker. I looked into the question. The hon. member is right. There was a meeting of about 70 countries. The agreement is in force to the extent that 28 or 30 countries ratified it. That is not yet true. It has not yet been done. That means the agreement is not in force. With regard to the substance of the problem, if we decide to use our own ships for about 40 per cent of our international trade, there will be implications which the hon. member understands. I am inclined to support the idea which the hon. member expressed, that he is in favour of a merchant marine in Canada.

Mr. Forrestall: Mr. Speaker, I rise on a question of privilege. I do not want the minister to leave the impression that I indicated Canada had indeed ratified this. Rather, I was asking whether Canada intended to ratify it, having abstained from voting in principle.

Mr. Marchand (Langelier): Mr. Speaker, at this moment we do not have the intention to ratify. We must wait until we know whether we will be in a position to implement the agreement.

Mr. Speaker: The hon. Leader of the Opposition.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I rise on a point of order. Since the beginning of the question period, two of my colleagues, the hon. members for Roberval and for Bellechasse, rose 22 times to put questions. Mr. Speaker, I do not know whether we are classified in the same category as the hon. member for Moncton, but it seems to me that we should get the eye of the Chair a bit more often—

Mr. Speaker: Order, please. The hon. member for Témiscamingue will note, I am sure, that there are exactly five creditists members in the House at this time. I intend to recognize a second creditist member during the question period. This, to my mind, is a fair proportion under the circumstances.

Oral Questions

CONSUMER AFFAIRS

TAX CUTS ON CLOTHING—REASON FOR DELAYING MONITORING PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, those difficulties now over, I wish to put a question to the Minister of Finance—

[*English*]

Mr. Speaker, my question is to the Minister of Finance. In his May budget, the minister undertook to eliminate taxes on clothing. This was in fact done on July 16. The minister stated that if these tax cuts were not passed on and reflected in prices, he would take steps to ensure that the consumer does in fact gain. Recognizing that most retailers will automatically comply, will the minister advise whether he has received assurance from the Minister of Consumer and Corporate Affairs that that minister has in fact been monitoring what has been going on and that in all cases the prices reflect these tax cuts.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have received that assurance. I look forward to receiving a full report from my colleague in due course which will answer in detail the question posed by the hon. Leader of the Opposition.

Mr. Stanfield: Mr. Speaker, it is now some 14 weeks since the tax was removed. I wonder how long the minister intends to wait. I now wish to ask the Minister of Consumer and Corporate Affairs whether he has any explanation for the fact that it is only this week he is commencing his investigations to ascertain what is happening.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the whole thing is very simple. We wanted to have a pilot project to delineate the investigation more specifically. This project took place in September. We analyzed the answers given to the questionnaire sent out in connection with the project. A complete investigation is now under way with a more complete and improved questionnaire.

I can assure the hon. member that no matter when the investigation takes place, it is really of very little importance because, if the tax is levied, whether we know the results today, or whether we did 15 days ago, will in no way change the situation.

[*English*]

Mr. Stanfield: Will the minister be good enough to explain how a customer who did not receive the benefit of the tax cut in October or even November can receive this benefit as a result of the minister's tardiness in not discovering until some months later that the tax cut had not been passed on.

[*Translation*]

Mr. Ouellet: Mr. Speaker, obviously the companies that do not pass the tax cut on to the consumer will be named following that investigation. And I think that is a guarantee for the consumer.

[Mr. Speaker.]

[*English*]

TAX CUTS ON CLOTHING—NATURE OF PILOT PROJECT FOR MONITORING BENEFIT TO CONSUMER

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. What was the exact nature of the pilot project carried out by the department in September, and did it in fact reveal that retailers were not passing on tax cuts to consumers?

[*Translation*]

Mr. André Ouellet (Minister of Consumer and Corporate Affairs): No, the pilot project was carried out in the Toronto area and the answers we got showed that the tax cut was passed on.

* * *

INDUSTRY

TEXTILES—REQUEST FOR REDUCTION OF IMPORTS TO AVOID LAYOFFS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I am very happy to see that my colleagues are glad when I rise to ask a question. My question is directed to the hon. Minister of Industry, Trade and Commerce.

In view of the fact that several textile manufacturers now have difficulties competing with imported textiles and that they are forced to lay off people, can the hon. Minister tell the House whether he has had representations from the people concerned in this industry asking for him to intervene in order to stop or to reduce if possible imports in this area?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have been made aware of the difficulties in the industry occasioned by a worldwide downturn in textile demand and activity. This is causing inventory liquidations and distress selling. So far we have not been able to determine that any landings have been made as dumping or undervaluation of imports. We are maintaining continuous contact with the industry in this regard. In accordance with the provisions of the textile policy, the Textile and Clothing Board is currently conducting an urgent inquiry into acrylic yarn imports. Further similar inquiries on a number of other products are anticipated in the near future as a result of requests from the Canadian Textiles Institute.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question.

Can the Minister tell the House whether import licenses have been issued during the last months by his department and in the affirmative, for which countries?

[*English*]

Mr. Gillespie: Mr. Speaker, I will have to make inquiries as to the precise number of import permits granted, what countries and, of course, what products. I will be pleased to make inquiries and provide that information to the hon. member.

FINANCE

POSSIBLE DECLINE IN PRIME LENDING RATE FOLLOWING SALE OF SAVINGS BONDS—GOVERNMENT POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. Can the minister tell the House if the prime rate will follow the United States rate in declining once the Canada Savings Bonds are sold or shut off?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am sure the hon. member is aware that it is very difficult for me in this position to predict movement of exchange rates, interest rates or other variable factors in the economy insofar as they may affect market decisions.

Mr. Ritchie: Can the Minister of Finance explain why the prime rate in Canada immediately follows a corresponding rise in the United States but lags behind when the U.S. rate falls?

Mr. Speaker: Order, please.

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ENVIRONMENTAL AFFAIRS

SUGGESTED STUDY OF EFFECT OF AEROSOL DISCHARGES ON OZONE—GOVERNMENT POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Prime Minister. It follows from the motion of my colleague, the hon. member for Winnipeg South Centre, which was ruled out of order. In view of studies that show if aerosol discharges continue at the present rate, there is a serious probability of danger to life on this planet and in view of Professor Knelman's recent warning that "a crash program to establish the validity of this new ozone threat should be immediately instituted and the results brought before the world", will the Prime Minister advise whether the government is prepared to refer the matter to the Standing Committee on Fisheries and Forestry of whether the Atmospheric Research Branch has sufficient funds and personnel to adequately deal with this urgent problem?

● (1450)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a problem about which I have expressed some concern myself but I have not had a recent report from the Minister of the Environment who is meeting with officials of the James Bay Development Corporation in Montreal. I will make sure the question is referred to her to be dealt with.

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IMMIGRATION

POSSIBILITY OF PLACING FRANCOPHONE APPLICANTS IN A PARTICULAR REGION—GOVERNMENT POSITION

Mr. Arnold Malone (Battle River): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. It arises from the minister's recent statement on immigration policy that special incentives would be provided for Francophone applicants. Will preference be given to placing such applicants in any particular region of Canada once they are here?

Mr. William Rompkey (Parliamentary Secretary to the Minister of Manpower and Immigration): I can only refer the hon. member to what the minister said in his statement. The fact is that Francophone immigration will be encouraged and that it will direct itself, quite obviously, to regions in Quebec. We are discussing this matter with the government of Quebec and I should like to point out that these regulations will apply across the board to all countries, including those from which Francophone immigration might come.

* * *

MULTICULTURALISM

DATE OF PUBLICATION OF STUDY ON NON-OFFICIAL LANGUAGES—NUMBER OF RECOMMENDATIONS OF FORMER MINISTER IMPLEMENTED

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, may I direct a question to the Minister of Labour in charge of multiculturalism? Since the draft report on non-official languages has been ready since April, can the minister advise us when the study on non-official languages commissioned by the hon. member for Hochelaga, now Minister of Communications, in November, 1972, will be laid on the table?

Hon. John C. Munro (Minister of Labour): The hon. member says the report was ready in April, but I do not believe that is correct. In any case, the hon. member is referring to the draft report; I do not believe the final report is in my hands even yet. However, I will check and report to the hon. member.

Mr. Paproski: A supplementary question, to the minister: out of the 70 recommendations which were made by the former minister responsible for multiculturalism, the hon. member for Parkdale, the great Dr. Stanley Haidasz—

Some hon. Members: Hear, hear!

Mr. Paproski: —at the conference on multiculturalism a year ago, could the minister name just one of those recommendations which has been implemented?

Mr. Munro (Hamilton East): May I say from my own visits to minority groups and ethno-culture groups across the country since I have been the responsible minister that they have nothing but praise for the hon. member for Parkdale and the excellent job he did.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Of course, at some of the meetings I have attended, even some of those held by the Ukrainian community in Canada, the hon. member himself was missed. I might add that several of the recommendations have been implemented.

Oral Questions

LABOUR CONDITIONS

PROPOSAL TO ESTABLISH TRIPARTITE BODY COMPOSED OF LABOUR, MANAGEMENT AND GOVERNMENT—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Thank you, Mr. Speaker. I should like to direct a question to the Minister of Labour notwithstanding the fact that the meeting of leaders of the trade union movement with the Prime Minister last week was a failure—it has been called just a little social get-together. Is the minister enjoying more success in terms of forming a tripartite body embodying labour, management and government so as to deal with the serious matter of the collective bargaining process in the future? Is the minister experiencing more success than the Prime Minister in dealing with inflation?

Hon. John C. Munro (Minister of Labour): Both the Prime Minister and myself have been meeting with labour officials. We have held meetings, and my deputy has held meetings, with representatives of the chambers of commerce and others on the business and industry side. There is general agreement that attempts to work out solutions within the framework of a tripartite arrangement are welcome and we are figuring out ways and means of getting on with this now. The prospect is most encouraging.

MEETING IN QUEBEC CONCERNING IMPACT OF MULTINATIONAL CORPORATIONS ON COLLECTIVE BARGAINING—REASON FOR NON-ATTENDANCE OF FEDERAL REPRESENTATIVE

Mr. Lincoln M. Alexander (Hamilton West): In the light of the minister's concern with respect to the impact of multinational corporations on the collective bargaining process in Canada, can the minister tell me why his department will not be represented at the meeting of a special national assembly committee next Wednesday called by his colleague, the minister of labour in the Province of Quebec, which will, apparently, study the entire question of the dispute at United Aircraft and will ask the company to justify its attitude toward striking employees? I ask this question bearing in mind that the minister is now considering the impact of the situation at Firestone. I know he is looking at the United Aircraft experience. Can he tell us why his department will not be represented at this meeting, if only by holding a watching brief?

Hon. John C. Munro (Minister of Labour): As the hon. member himself acknowledges in his question, this is a meeting called by the minister of labour of Quebec within his own jurisdiction in his own province. Obviously, it is up to him who he chooses to invite. If he feels our presence could be helpful we shall, no doubt, attend, at least in the capacity of an observer.

Mr. Alexander: This meeting is, of course, a most important one, particularly since the minister is looking into this very area. Can the minister give us an assurance that he will get in touch with his colleague in Quebec to see whether his departmental officials can attend?

[Mr. Munro (Hamilton East).]

Mr. Munro (Hamilton East): I will be happy to take that suggestion under consideration.

[*Later:*]

Mr. McKenzie: On a question of privilege. Due to the commotion in the House, when I asked the Prime Minister about the Air Canada base in Winnipeg, I believe he made the comment that he would be making an announcement at the forthcoming Conservative fund raising dinner. I would like to notify him that this will be held on November 28 of this year.

Some hon. Members: Oh, oh!

● (1500)

GOVERNMENT ORDERS

[*Translation*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed, from Friday November 1, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian Crude oil and natural gas in interprovincial and export trade, be read the second time and referred to committee of the whole.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, Bill C-32 now before us sets the whole question of the Canadian challenge for the present time as well as for the future. National interest must be based of course, on all Canadians being on the same footing. It must also be based on the same quality of life for everyone. But distributed as Canadians are in this great country of ours and administered by three levels of government, national interest in their case rests also and by far on the reconciliation of various social and economic interests at play in this country. Now, the identification of such social and economic interests depends on the full respect of the spirit as well as the letter of our Constitution, and of the jurisdiction of each Canadian province.

Therefore, it is right to say that Bill C-32 on oil and gas administration in this country sets the whole question of the Canadian challenge. Perhaps have I never before, at least in this House, had the opportunity to feel as responsible as a Canadian, as jointly liable in connection with the interests of my fellow citizens from the western provinces, who are very much concerned as we know about this bill and perhaps have I never felt as determined to understand and comprehend the concerns of fellow citizens in kin provinces. In the name of national interest, sections 36 and 52 of this bill come in direct contact with the prerogatives and vested rights of the so-called oil provinces.

I feel all the more I have to be alert on this Bill C-32 because once it is passed, all of us, whether from the

Maritimes, Ontario, Quebec, or elsewhere, will be faced with a precedent on the basis of which a centralizing government as the one currently heading this country will be able in the future to take over provincial jurisdictions somewhat too easily. All Canadians, all Quebecers in particular, and the premier of the province of Quebec above all, must give very urgent consideration to the scope of this bill now before us. Today, there is talk about federal administration of oil and gas but if we are not careful today, tomorrow there may be talk about federal administration of power energy, or from another angle, territorial development and—

Mr. Speaker, in the very name of the Canadian challenge of modern times, in the very name of the type of Confederation in which we want to live Bill C-32 must provoke at the level of the people of this country, of provincial governments and information media, an information campaign on the stakes and the issues involved.

Mr. Speaker, consideration of Bill C-32 must actually bring people to their feet, have them talk with words of caution, warning and alertness.

Section 36 of the Bill reads as follows:

> Where no agreement is entered into pursuant to section 22 with the government of a producer-province or any such agreement is terminated by the declaration of the parties, or, in the opinion of the Governor in Council, is not effective or is not capable of being effective, the Governor in Council may, by regulation, establish maximum prices for the various qualities and kinds of crude oil to which this Part applies that are produced, extracted or recovered in that province (hereinafter in this Division called the "exporting province").

Mr. Speaker, Canada or indeed the whole world must be experiencing a true energy crisis or about to experience such a crisis for the government to consider disregarding the vested interests of the provinces, for a central government to assume such powers.

And yet, Mr. Speaker, people will probably say: the facts are there, the world is undergoing serious energy problems; let us think, they will say, of the Arab-Israeli conflict, of the behaviour of oil-producing Arab countries on the world market, let us also remember above all that oil supplies in eastern Canada depend to a large extent upon imports, and therefore, is it not normal that we, as a government, should take appropriate action to meet the following objectives as stated in clause 21 of the bill:

> (a) to achieve a uniform price, exclusive of transportation costs, for crude oil used in Canada outside its province of production;
>
> (b) to achieve a balance in Canada between the interests of consumers and producers in Canada; and
>
> (c) to protect consumers in Canada from instability of prices for petroleum in the international markets.

With regard to those national objectives, may I just mention very briefly two specific points.

First, concerning the protection of consumers in Canada from instability of prices for petroleum in the international markets, I should like everyone here to remember how decisively our party fought in December 1973 to ensure equity and justice for the consumers of eastern Canada.

The Leader of the Opposition (Mr. Stanfield) was waging this fight. On December 10, 1973, he said:

> —this policy will result in a difficult and trying period for many individuals this winter, a promise of continued discrimination for many years, a proof of increasing inequalities, and a guarantee of economic problems for eastern Canada.

In the name of justice, we, of the official opposition, demanded then and still demand that Canadian consumers be protected from the instability of prices in the international markets.

Secondly, and still from the point of view of the national objectives mentioned earlier, we must realize that we must also protect the interests of producers on behalf of the long term interests and needs of all Canadians.

On October 4 last, Mr. R. G. Reid, president of Imperial Oil Limited, said to the Ontario Institute of Chartered Accountants, and I quote:

> The key to the development of future energy resources is the investor's confidence based upon risk-oriented public policies.

[*English*]

It is therefore crucial, Mr. Speaker, for this parliament and the government to keep in mind that the present energy resources available to this country exist because in the past the exploration and production of energy for domestic and export use has been a highly profitable endeavour.

● (1510)

When one briefly scans Canadian commercial history and views the extent to which a serious imbalance has existed between western and central Canada, particularly in terms of transportation and freight rates, one need not be particularly pro-western in one's approach to understand that the commercial unity of this country would be strengthened by rectification of this imbalance. One cannot help getting the impression that the present government's view of the degree to which profits from the oil industry can serve to rectify this imbalance is less than favourable.

I have to say, as a member of this House from a province that has itself in the past developed various profitable energy sources, that this type of view by the federal government is particularly short-ranged and somewhat narrow-minded. I can tell the House that when Hydro-Quebec moves to sell power to markets outside our province and outside our country, it is always done with a very real concern for ensuring the people of Quebec maximum profit for what is, after all, a renewable resource. Surely, therefore, we can understand the concern of jurisdictions wherein the major energy resource is non-renewable as is the case with petroleum products that there be similar, if not greater, protection in terms of increased profit yield for them, to ensure their economic vitality.

I believe we can find the way to protect the public interest, while ensuring that the exploration and processing of energy products, specifically in western Canada, remain activities not only profitable to private enterprise but profitable to provincial governments that are seeking to strengthen their own secondary industry and economic infrastructure through the yield that can be gained from the petroleum industry situated within their jurisdictions.

There is anxiety in the west that has caused many petroleum operations actively to consider moving their drilling rigs from Canada to other countries. Such a course of action, specifically in areas such as southern Alberta,

cannot be anything but a source of concern for anyone vitally interested in the health of the western economy. I believe parliament would do well to ensure that legislation presented to protect the public interest in the matter of petroleum and energy embraces a concept of public interest that has room for the type of fair profit within the oil industry that can, and will, play a significant role in prolonging the commitment of capital and other resources in the battle to find and to develop more natural resources for Canadians.

[*Translation*]

Mr. Speaker, the national objectives mentioned in clause 21, the national balance that is sought, all this must be worked out simultaneously by the central government and of each of the provincial governments. We federal and provincial parliamentarians must therefore reconcile the national and the regional interests. And, as I said earlier, one can see how this bill raises the whole question of the Canadian challenge and affects, if I may use this expression, the Canadian pattern itself.

Clause 36 as well as its counterpart clause 52 make it too obvious that in case of a disagreement, the federal government is automatically right. This does not take into account the reasons for which, in a particular situation, an oil producing province may not accept some proposal of the federal government. Yet, this directly concerns provincial jurisdiction.

Mr. Speaker, on December 10 of last year, I said that this government was powerless to attack in depth the major problems and unable, in its search for adequate solutions, to reconcile the national and the regional interests. This government, under the pretext of acting for the common good, keeps infringing upon the principle of Canadian federalism itself.

● (1520)

The present federal government, probably the most centralizing one in all our country's history is certainly the government who has provoked and is still provoking, sometimes, almost on purpose the highest number of confrontations with the provincial governments.

Instead of trying to be, as the Minister of Supply and Services (Mr. Goyer) rightfully wishes—it is true, Mr. Speaker, that this was said during the last election campaign—instead of trying to be, and I quote:

the life and soul of a common, collegial and global strategy

the present central government is appointing itself, slowly but surely and month after month, the gravedigger of our Constitution.

Mr. Speaker, this government and this prime minister will be known to history as those under whom our Confederation will have been in danger as never before. We know, especially after the cry of alarm of last June 15 uttered by the hon. member for Peace River (Mr. Baldwin) we know how threatening for the Confederation this alienation of the West is becoming. Transportation, the difficulties of the secondary industry and natural resources sector, those are problem areas where Western Canadians feel neglected by this federal government.

Should we now be surprised that the oil producing provinces, before approving, if ever, Bill C-32 demand, just by so proof positive of Ottawa's good faith concerning the planning of industrialization policy, agricultural consolidation and restructuring of the railway freight rates in the Prairies.

In the province of Quebec, as everyone is aware, we have but to look at the provincial scene, examine the results of the last election and see the presence and the vitality of a separatist party. In Quebec, almost 30 per cent of the French-speaking population have voted for that party; this should certainly be good enough, above and beyond the language aspect, to demonstrate to this federal government how more and more Quebecers are fed up with the centralizing schemes of this federal government.

Mr. Speaker, the province of Quebec must and should be in the forefront of those who fear any unilateral application in the oil administration policies of this country. I want to be very specific here: I am addressing myself directly to the political authorities of the province of Quebec, to the Quebec premier and I say to him that any lightly considered acceptance of a precedent, as would be the passage of Bill C-32 might—

Mr. Stanfield: Where are the members from Quebec?

Mr. Wagner: The Leader of the Opposition (Mr. Stanfield) asks with reason, where are the Liberal members from Quebec who should be rushing forward to defend the sacred rights of the province and thus make sure that no blow is struck against provincial jurisdictions and that the rights of the provinces are respected. Where are those members?

Mr. Bussières: That is pure demagogy.

Mr. Wagner: There is someone in the fifth row, on the other side who says: "That is pure demagogy".

So, Mr. Speaker, it seems that talking in favour of provincial autonomy means demagogy, claiming the respect of Quebec's rights means demagogy for the Liberals, to pointing out the very serious error this government is about to make, also means demagogy.

An hon. Member: He did not mean that.

Mr. Wagner: The only thing which would not be demagogy would be for Quebec to creep on all fours or to fall on knees in front of this government and say: "You served us quite well when you took away our goods". The people of the province of Quebec are not prepared to do so and if only members from this side of the House are moving, they will know how to voice claims for the province of Quebec. If the Quebec government cannot deal on an equal basis with the federal government, that will be the duty of the official opposition and we will assume it.

Mr. Speaker, that is a short answer—As I do not hear any other exclamation from hon. members opposite. I will then continue.

Mr. Marcel Roy (Laval): Mr. Speaker, I raise on a point of order. I would not reply in any way to the hon. member for Saint-Hyacinthe (Mr. Wagner), but I know that many members from Quebec are now sitting on several committees and I would like to point out to him that he is the only Progressive-Conservative from Quebec here now.

Here is my question: How could we reconcile his suggestions in order to meet the interests of both consumers and producers? That is what we would like to learn from the hon. member for Saint-Hyacinthe.

Mr. Wagner: Mr. Speaker, I appreciate the confidence of the hon. member for Laval (Mr. Roy) is showing in order to help me to find the right solutions the government is unable to find. If he will exercise patience and wait until I have completed my remarks, he will have the answer. Will he, in the liberal caucus, be the spokesman for the Conservative party in telling the government that such answers have to be implemented? I doubt it, but knowing the member for Laval (Mr. Roy) for his generosity and good nature, I thank him for his gesture.

Mr. Speaker, I said that any inconsiderate acceptation by the province of Quebec of the precedent set by Bill C-32 might very well affect that province in its possible foreign or domestic sales of resources from James Bay.

[*English*]

Mr. Oberle: I rise on a point of order, Mr. Speaker. There does not seem to be any translation of my colleague's remarks and some of us are having difficulty following the debate.

Mr. Baldwin: There is too much static from the Liberals.

The Acting Speaker (Mr. Penner): I am sure this has been noted by other hon. members, and that the persons responsible are attempting to solve the problem. I suggest that the debate should continue, and members who miss any part of the hon. member's speech will read it in tomorrow's translated version of *Hansard*. The Chair regrets the inconvenience caused hon. members.

[*Translation*]

An hon. Member: Big loss.

Mr. Wagner: Mr. Speaker, I also regret that there is no interpretation at this point, there is no doubt a technical difficulty; I am told it is coming on again, and knowing the expertise shown by translators, I am certain it is for good.

Mr. Speaker, I still hear interruptions from my honourable colleague opposite. If he wishes to say something, let him rise. It is amazing, Mr. Speaker, how eloquent those people are when they are resting on their derrières. When they stand up, we can't hear them, but when they sit, everything is loud and clear.

If the precedent was set, Mr. Speaker, it would be a bad joke for Quebec, especially in its foreign or domestic sales of the resources from James Bay or any other source. And speaking of Quebec, this debate gives me the opportunity to raise, and get an answer for, the point already made by Saskatchewan's premier, that is whether the federal government could find itself in a position where it had to make $400 or $500 million transfer payments to Quebec, if Alberta and Saskatchewan oil revenues were deemed to be standard revenues of both provinces? That question asked by the Saskatchewan premier is still unanswered by the government, and perhaps remarks from the other side of this House will shed some light on the matter.

Let Quebec authorities beware, lest they be tricked.

● (1530)

Mr. Speaker, it can be seen by examining Bill C-32 that many important questions are raised such as the provincial jurisdiction over natural resources. It is however evident, pursuant to section 109 of the British North America Act, that oil is under the exclusive jurisdiction of the provinces.

However, the federal government, supposedly in the general interest of Canadians which must have precedence over the interest of one or several provinces, wants to control the sale and distribution of oil. When one goes against a particular section of the constitution, even in the general interest, every other aspect of its position must be irrefutable which, in this case, it is not as we can see day after day.

Nothing underrates a great principle more-here, that of the precedence of the general interest—than putting it to an end less noble than its original object and to justify an argument-causing approach.

Mr. Speaker, Bill C-32, and in particular sections 36 and 52, is a very sad way for a prime minister to reopen the constitutional file! What a funny way of reopening it by beginning this session with a large breach to the constitution! What guarantees do we have that the repatriation of the constitution, urged by the Prime Minister before the House on October 2nd last, is in keeping with a national strategy serving the country's regional interests? Mr. Speaker, one can assume the worse.

The Canadian Chamber of Commerce is a neutral organization, without any political affiliation that I know of, and which surely cannot be accused of partisan spirit in its papers, reports and recommendations. During its annual convention held in Winnipeg in September 1973, however, it has warned this government that any energy policy, and I quote:

> —could only be developed if the parties concerned could solve their differences in an atmosphere of consultation and mutual trust rather than in an hostile and distrustful one.

It is nto the opposition which is attacking the government and suggesting that the atmosphere is hostile and distrustful, but an intermediate and completely independent organization.

It is precisely an hostile and distrustful atmosphere that clauses 36 and 52 are inducing.

Mr. Speaker, we oppose the bill such as drafted and we demand at the same time in order to meet the objectives provided in the bill and stated for example in clause 21, the establishment of a mechanism which would enable all legislative partners included in our constitution, namely the provinces and the federal government, to express their views on the concept and formulation of the national interests and on the enforcement mechanisms for bills and other measures proceeding from them.

This objective, honest and realistic solution may be the one which the hon. member for Laval (Mr. Roy) was expecting and which he intends to plead for during his next caucus.

Mr. Speaker, this is an excellent way to really protect in a viable way and for a long time the interests of consum-

ers from Eastern Canada and the other regions of our country, and those of all Canadians. We must keep in mind that there are circumstances when a consumer and a Canadian are the very same person.

To proceed otherwise or along the line suggested in this bill would be to preserve and perpetuate a federalism which thrives on confrontations. I cannot accept the pessimistic view that our federal system can only develop through confrontations and conflicts.

At present, whether we are dealing with the distribution of energy resources or something else, the main problems require in a country such as ours, permanent mechanisms of consultation and concertation whereby, especially in cases of national emergency, provincial governments may deal as equals with the federal government.

There, as in other areas such as the fight against inflation for instance, the federal government must first of all find a reason for determination, stick to a sustained resolution to really accept the challenge it is faced with, that is to provide itself with a national approach and with national consultation mechanisms in the face of national problems.

Mr. Roy (Laval): Decision in consultation!

Mr. Wagner: Mr. Speaker, I apologize for interrupting the hon. member for Laval who has lost his temper again. He would want the decision to be made in consultation. As for myself, I would like to have first consultation, then dialogue, decision, all that being done between parties with some measure of justice and equity.

This is much more useful and much better than, as it is the case with this legislation giving powers to act unilaterally under Section 36 and 52 of Bill C-32.

These, Mr. Speaker, are some of the thoughts which this legislation evokes to me. This is why I was glad to participate in this debate. Hoping that my colleagues' comments will induce deeper thoughts on the part of the government members and that within a few days it will lead them to amend their legislation so that it does not prejudice so obviously the Canadian constitution that we want to protect, to repatriate in due time and especially to make sure that it is really respectful of the rights of all Canadians.

[*English*]

The Acting Speaker (Mr. Penner): Order, please. The Chair is prepared at this time to recognize the hon. member for Waterloo-Cambridge (Mr. Saltsman). Before doing so, I would remind the House that the hon. member for Waterloo-Cambridge had the floor and had taken up about six minutes of his time when the debate adjourned last Friday. Because of an unavoidable delay, he could not be here at the outset of the debate today. I am sure the House would agree with me that he should be recognized at this time.

Mr. Baldwin: Make it worth while.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, through you I should like to express my appreciation to hon. members. I will try to be gentle with my friends to the right. I listened with great interest to the hon. member for Saint-Hyacinthe (Mr. Wagner) in his learned development of the constitutional responsibilities involved in this question. It is very difficult at this stage to know to what extent the federal government actively has met and negotiated with provincial officials, and whether in fact the government has acted more precipitously than might otherwise have been the case. It is very difficult, also, to know whether agreement might have been reached that the government did not reach, or whether hon. friends to my right might have been able to reach agreement in a way that the government could not.

I can only say I am glad that the federal government acted when it did. It is very hard to know just how much of its action was necessary. What is important is that had the government not taken a firm stand, Canada would have been in desperate straits for energy last winter and the price of energy would have risen substantially in every part of this country. It was vitally important, failing general agreement—which all of us would like to have seen arrived at—that the government exercised, in what I think was its clear jurisdiction, responsibility in the field of energy and brought in measures to see that energy prices were equalized and energy was available to Canada.

Mr. Lambert (Edmonton West): You say this only on oil and gas, but on other things you would be very quiet.

Mr. Saltsman: No, I would not be quiet. My friend, the hon. member for Edmonton West (Mr. Lambert), says I would be quiet on other things. He thinks I speak about gas and oil because they happen to be resources within the favourite province of Alberta. The remarks I intend to make apply, in fairness, to all forms of energy. They apply to hydro, to coal and to nuclear energy—if we are to be one nation. The point is not that at the moment Alberta happens to be very wealthy in certain resources and therefore we should grab at its resources. I should like to remind the hon. member for Edmonton West that Ontario assisted his province when energy was a glut on the market; when we could not give oil to the United States even though we pleaded with them to take some.

● (1540)

In the 1960s, when a national energy policy was introduced, the idea was to stimulate western development and to give them an outlet for oil in eastern Canada although the east could obtain oil elsewhere at a lower price.

Mr. Lambert (Edmonton West): And waxed fat on the material that went out to the oil fields.

Mr. Saltsman: As the hon. member says, Ontario did wax fat on the material going to the oil fields. There is no doubt that Ontario benefits from what it sells to the west and to the east. I hope all parts of the country benefit from confederation. Nobody is disputing the value of the west to Ontario. It was certainly one of the arguments made to Ontario in order to get a national oil policy. The point I am trying to make, Mr. Speaker, is that subsidies and assistance did not start with Alberta giving oil to the rest of Canada at a lower price. There is a long history of this kind of assistance, and Ontario did its part in helping the west to develop: it provided the market for western goods. Now the shoe is on the other foot. Ontario does not possess fossil fuel reserves. During the winter, we were in danger

of not getting any from offshore and it is a great comfort to Ontario to know there are resources in Alberta and we are not dependent upon the political whims of people outside the country to determine whether we freeze in the dark.

I have been very pleased by the speeches of western members on this subject. It seems that they understand the problem. Although they may not like accepting a lower price for crude oil than they could get on the open market, I think they understand that this has to be done in a confederation such as ours. I should, therefore, like to say "Thank you" to the people of the west. We in Ontario appreciate that we might not now have been in such good shape regarding energy had it not been for developments in Alberta.

We have gone a long way toward public intervention in the field of energy in order to assure supplies and to adjust the price. But we will have to go much further. Energy is so important, and the problem so complex, that I believe all energy supplies must come under public ownership—not just gas and oil but hydro and nuclear energy. And if the day comes that we are sufficiently intelligent to harness the tides or to obtain energy from the sun, this energy too would have to come under public ownership and be the heritage of the people of this country. We might even go beyond that and say it would have to be the heritage of the world: Canada might not be able to keep it to itself if the rest of the world needed it.

If we come to the conclusion that we are going to share our energy, surely our first responsibility is not to the richest country in the world, one that can find substitutes for cheap energy, but to the poorer nations. Those of us who complained about a continental oil policy did not do so because we did not want Canada to contribute in this sense. We objected because this resource was not going to the poor and the underdeveloped people of the world, but was going to those who are looking for cheap fuel and show no inclination of conserving energy by using their technology. I do not want to see any province or town in this country hoarding something and not feeling an obligation to anyone else, nor would I want this country to tell the rest of the world to look after itself.

We must move toward public ownership in order to solve the problem of conservation. One of the difficulties with free enterprise is that it must waste resources. The profits come from selling things to people whether they need them or not. Then there is a trade-off between the short-run interests of investors and the long-run interests as defined by the political process. I am not trying to make an ideological argument that public ownership is more holy than private ownership, Mr. Speaker. Some of us do favour public ownership over private ownership. However, the argument I am trying to make is essentially on the ground of public interest.

This is the kind of argument that was made when the Ontario government moved to take the hydro resources of the province under public ownership. In that case they were not socialist arguments, although people acted in a socialist and intelligent way by putting them forward. Their reasons were not ideological, but practical. The embryonic manufacturing industry of Ontario was in danger of falling under the control of outsiders who would also need control of hydro power to further their interests. Almost everyone in Ontario felt that if the province were to develop, it would have to own its electrical resources. History has proven them wise. Ontario probably could not have developed in the way it has without public ownership of its energy, and today it is in the forefront in the development of energy, nuclear and electrical, and has some of the cheapest energy rates in the world. It was a fortunate decision that electricity was taken under public ownership in Ontario, and these arguments are as relevant today as they were in Adam Beck's time.

In putting forward these arguments I am somewhat encouraged by the receptivity of this government. The minister has found himself in difficult circumstances at times, but he has done a good job.

Some hon. Members: Hear, hear!

Mr. Saltsman: He had to learn fast, and he did. We found ourselves in an energy crisis last year, without an energy policy. Of course, we do not have much of an energy policy now, but we had nothing at all when the crisis hit. We can laugh now about the Minister of Supply and Services paying an outrageous sum for heating oil, but we would have cried had we run short of it. We would have said he should have bought it no matter what the price. It is regrettable, perhaps, that his business judgment was not sounder, but the important thing is that we came through an international energy crisis almost unscathed. It was done because of government intervention: the government was prepared to move in. It was done without legislation: there was no legislative authority for what the government did. This is an indication of the authority of government in our society. If a government is determined to act, it can say it expects the private sector to behave in a certain way because it is going to introduce legislation to make it so. It is quite clear. The private sector has no choice but to respond.

● (1550)

This situation is very instructive because the private sector concerned was almost entirely foreign-owned. We were afraid foreign ownership would make it impossible for people in this country to respond in an emergency. The message came through loud and clear. If governments in our society choose to exercise the authority given to them by the people of this country, they have infinitely more power than any foreign-owned corporation or privately-held organization. We have seen foreign corporations virtually run this country. That was not because intrinsically they had the power to behave in that way, but because our government refused to intervene. Because of the abstention of the government, these foreign corporations were able to make their will felt.

I know I speak for my colleagues when I say we were pleased that the government was prepared to intervene. One reason the government acted was the particular electoral arrangement at that time: I am talking about a minority government. For a long time there was a great spirit of co-operation between our group and the government, in terms of energy policy. People might say that at this point the government has a majority and no longer has to listen to the NDP. It probably does not. However, I

am confident that that kind of co-operation and response by the government to a national emergency made an impact on the government and the people in the Liberal Party. I notice with a degree of pleasure that even though Canada does not have a minority government now and we are not in a position to twist arms, some of the arguments we put forward last year have been put into effect. The government saw they were necessary. I am optimistic that we will continue to have a forward-looking policy and willingness by the government to deal with new problems as they arise.

I was interested in watching members on the government benches when my former leader spoke, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). Tremendous attention was paid to what he said. On many occasions the applause from the opposite side was a genuine expression of agreement with what he was saying. Therefore, I think that arguments once started, or paths once cleared, tend to have a way of being continued. The government was very reluctant to intervene in the situation to which I have referred. They have always been reluctant to do that. However, they now understand that it was absolutely necessary. The people of this country heartily approved of that kind of intervention, and I hope it will continue. I hope the government will listen to these arguments regarding public ownership, not in a narrow, ideological framework but as something that is necessary and useful for the development of future policy for this country.

At the present time, Interprovincial Pipe Line is dragging its feet in building the line to Montreal. They say they need guarantees. They do not know what the throughput, cost or price will be, and therefore are not prepared to do anything without guarantees. If it is necessary to guarantee rates, returns and everything else, why do we need Interprovincial Pipe Line? We might as well build the pipeline ourselves. We will probably be asked to guarantee their bonds. In fact, we did guarantee the bonds and the company operated with government guarantees. Why not build this section of the line under public ownership? I do not think a pipeline is the greatest thing to own publicly, but when you get to the point where you have to make all these concessions, you do not know how accurate company's figures are and you must ensure that the figures are not inadvertently exaggerated, you might as well go ahead and build the pipeline yourself.

It is well within the capacity of the Canadian government's resources—that is, the capacity of the Canadian public—to build this pipeline instead of delaying it. Let us not be lulled into a false sense of security. The tension seems to be off and the Middle East seems to have settled down. But it will boil up again. Are we to be subjected to this kind of pressure without being ready for it? I know we accommodated ourselves last time, but we should be much better off now than we were then. Last time we had to operate on an ad hoc basis because the government had not planned; it did not listen to the various proposals this party had put forward for years with regard to a pipeline to Montreal. We should proceed immediately to build a pipeline under public ownership, instead of trying to figure out what kind of subsidy or conditions the company wants. If we must go to a great deal of trouble, there does not seem to be much point in having private enterprise build the pipeline.

We had considerable argument in committee about the Telesat Corporation. At the time the corporation was proposed, it was a troika arrangement: the idea was that the communications industry would own one-third, the government one-third, and one-third would be sold to the public. We put forward the same arguments. We said the rates would be regulated and the corporation could not lose money. If it appeared they were going to lose money, the government would adjust the rates. Why bring in the private investor or the telecommunications people into what was essentially a government idea? What is the point, when you are going to guarantee the corporation a return? Despite Telesat saying it was waiting until it got going a little before bringing in the private investor, it has not done so because they do not need the private investor. The private investor would be a hindrance to the corporation. Even though speeches are made about Telesat and lip service is paid to the proposition that at some point shares will be put on the market, those shares will never go on the market because it is not necessary. Telesat is an enormously successful corporation. They have made very good arrangements for the leasing of their communications channels and the public investor is not required.

The Canada Development Corporation is another example. We in this party argued for such a corporation. We saw the Canada Development Corporation as an instrument of national development, not as a way of offering the five-buck investor an extra place to invest his five bucks. We have a wonderful instruments for private investment. There are Canada Savings Bonds. Why do we need to create equity ownership in something as important as the Canada Development Corporation when the country needs a development corporation? The investors are satisfied with Canada Savings Bonds. The Canada Development Corporation is doing rather well. We are not happy that it is taking over profitable government corporations and then threatening to take them out of public control and put them into private hands by opening up their investment portfolios, but to this point they have managed very well without the private investor. In fact, they have probably done much better without him.

While the CDC says it is waiting until its portfolio fattens a little before putting its shares on the market, I suspect the same thing will happen as happened with Telesat. Private shares will never be issued simply because the CDC does not need the five-buck investor. Not only that, he would get in the way. There are already problems in the Canada Development Corporation, one of which is shameful for a public corporation. It took over Connaught Laboratories, which manufacture insulin. Because its sole term of reference is to make money, the corporation is still looking toward the day when it will put out investment certificates or provide an opportunity for the private investor. It is taking something which is essential and which should have been produced at cost, and trying to make a buck out of it.

● (1600)

Surely they can provide insulin at cost? They are making enough money from other investments to enable them to absorb the cost of manufacturing insulin. It was

important that CDC take over Connaught Laboratories because they had nowhere else to go. But it is also important that they recognize the social usefulness of providing insulin without making a profit on it. As long as that element is there, they must think in terms of the future—how things will look on the stock market. That is the problem. Where you do important work involving the future or public morality, to think in terms of profit is not same.

Profit has a useful purpose in unimportant things. If somebody wants to make a profit on shoes, good luck to them. You don't have to buy shoes to that extent. You can buy one kind, you can buy another kind; you can buy a cheaper one, or you can buy a more expensive one. You do not need to have the shoe industry under public ownership. There is no need for extensive regulation in such areas. But when it comes to programs such as medical care—which of course is almost entirely a public responsibility, as it should be—you recognize it, and now we have to recognize that a resource as vital as energy cannot be left to the shenanigans of the profit motive.

As to people in the field, I grant they have the best intentions in the world. I have met many people in the gas and oil industry and they seem like decent fellows I am not quarrelling with them for trying to act against the public interest because, I am sure many of them think their buccaneering is very much in the public interest and that the public benefits enormously from their buying and selling, and drilling, getting out and getting in, and all the rest of it. The point is, they are not in a position to act for the public, given the kind of attitude that they have and the nature of their industry, even if they wanted to.

What is the point of competition in energy? I know it is very convenient to have electricity going down your street, to have gas going down your street, to have oil being delivered to your house. It is very convenient to have all these modes of energy. But that is for a society that does not think there will be any shortage of energy tomorrow. To waste all that capital, to waste all those resources, to duplicate facilities—that is yesterday's society with its philosophy of sell, sell. Hydro advertises that it will give you a better deal than gas. That is competition. This brings me to the point I am trying to make.

Competition, by its very nature, by its very huckstering, is bound to be wasteful. We cannot afford to waste energy. The most compelling argument in favour of public ownership of energy is that it will eliminate duplication and waste. For the first time we would be able to plan energy. Let me cite one example of what happens when you do not plan. We think of bringing a gas line down from the Arctic. So what is the argument? The argument is that we will have to build so large a line that we will not be able to use all the gas that comes through it; therefore, let us take the three-quarters surplus in that line and export it until we can absorb its entire output.

An hon. Member: Rubbish.

Mr. Saltsman: Well, that is the proposal of the Arctic Gas Study group. That is really what they are saying.

Mr. Andre: No.

Mr. Lambert (Edmonton West): That is wrong. We do not have enough gas up there.

Mr. Saltsman: Perhaps I am not using their jargon. They are saying, "We cannot build a line for our own use; we will have to export some of the gas." They do not say, "We don't have enough gas; take somebody else's." Most of it has to go to the United States until we are ready to use it.

Mr. Lambert (Edmonton West): What about Prudhoe Bay?

Mr. Douglas (Nanaimo-Cowichan-The Islands): They will not get any gas out of Prudhoe Bay for the first three years, and you know it.

Mr. Saltsman: There is not enough Prudhoe Bay gas going in there. They want to export more.

Mr. Andre: No, they don't.

Mr. Saltsman: Yes, they do.

Mr. Lambert (Edmonton West): You have a confirmed easterner's knowledge of the west, which is zilch.

Mr. Saltsman: There will be opportunities. The point is, you cannot plan. If you know you must build a line of that kind and it is expensive, then you start co-ordinating your heating requirements and your planning requirements to take into account gas that will be coming down at a certain point in time, instead of building areas where you have this kind of heating, that kind of heating and the other kind. My colleague over there may say, "That's regulation; you are controlling people. We must have electricity. We must have gas rather than oil." However, we cannot live in a world where we squander these kind of resources. We will have to regulate the use of energy. We may, in fact, have to penalize the use of energy. This is another problem. Instead of pricing gas or oil cheaply, as a matter of public policy all types of energy may have to rise in price.

Mr. Andre: Yes.

Mr. Saltsman: You approve of that. The problem of making prices rise, even if you come to the conclusion that you must use price as a mechanism for rationing, is that when you do so the benefit does not go to the public; it goes to some private company. Therefore you are frustrated in developing an intelligent policy, because while it may be desirable to tighten consumption, it is only desirable to price high if the benefit of that high pricing goes back to the public so it can be used for other things.

Mr. Andre: What about taxes?

Mr. Lambert (Edmonton West): Governments already get 80 per cent of a barrel of oil.

Mr. Saltsman: There are ways of dealing with this problem without going to public ownership. One of my distinguished friends on the right has suggested we could tax. We tried to tax and we failed. What happened when we tried to tax? The government of Alberta sent people down to the committee considering the Carter report on

taxation and said, "Don't tax the resource industries." A lot of pressure was put on the government.

Mr. Andre: Get your facts right.

Mr. Saltsman: Read the minutes and you will see that the government of Alberta put pressure on the federal government not to tax. The point is, these resource industries were let off the hook. The recommendations of the Carter commission were never enacted in that area. Had we been able to devise an intelligent tax system under which those industries were taxed on the same basis as manufacturing industries, we might have avoided much of the confrontation that now exists among the industry, the federal government and the provincial governments. But we failed miserably to achieve our goals through taxation. While those goals can sometimes be achieved through taxation, this is not a great example of taxation success.

The problem of scrutinizing and verifying the arguments made on both sides of the taxation question is so great that it is really pointless. You can argue that we can regulate. After all, why place oil and gas under public ownership? Why don't we do what we do with Bell Canada and regulate these industries? It works to some extent with Bell Canada. By and large, I do not know that the public would benefit substantially from public ownership of Bell Canada. As I say, I don't know and that is really the problem.

You get to the stage, when you regulate an industry, at which the cost of scrutinizing the industry, the cost of policing it, and its cost in terms of making that policing more difficult—like the CPR with its regressive analyses—becomes so great that at some point you throw your hands up and say, "We're just playing games with each other instead of getting on with the job, and it might as well come under public ownership." It is this sort of cops and robbers game, going back and forth with each other, that eventually leads to the need for public ownership. Regulation of Bell Canada is difficult enough, but imagine how much tougher it would be to regulate the oil and gas industry and to ascertain future plans.

● (1610)

The oil and gas industry has given us misleading information from Day One. When it suited its purposes to export, the industry gave us glowing figures of our oil and gas reserves. According to them, we have enough to last us practically for the next two million years. Then when they wanted a higher price, all of a sudden the story was different; we were told there was little oil and gas left and the industry required more money to go into new fields, otherwise in 15 or 20 years we would be short. It is inconceivable that something as important as energy is left to this kind of game playing.

We will have to spend $50 billion over the next ten years, perhaps more, to develop new forms of energy. Where do we start? If we start with the James Bay project, the tar sands project, building pipelines, developing nuclear energy, we shall need tremendous sums of money. We must approach the matter in a rational and intelligent way by allocating the resources at our disposal in the most effective manner. This means that we cannot finance our energy needs from the market system but must do so through public saving and public investment. To do it in any other way would be an absolute waste.

I can give the House a great example of waste which, fortunately, turned out to be not so wasteful. This sometimes happens when you talk about waste, so I must be rather careful. In this instance, the result was more by accident than design. A lot of investment went into Alberta at a time when there was no need for it and no markets for oil. We operated our wells at something like 35 per cent capacity, tying up billions of dollars in equipment which had to yield a higher return. I see you are signalling, Mr. Speaker, so let me conclude by saying that I have advanced but a few of the many good arguments for our stopping this chaotic approach to private investment in the energy field and moving to a system of conservation and public works.

[*Translation*]

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I am very happy to participate in this debate because, as several previous speakers have indicated, the topic under study is one of the most important facing the national as well as the international communities. One need only listen to the hon. member for Waterloo-Cambridge (Mr. Saltsman), who speaks of it in a nationalistic vein, to become aware of it. Some of the members opposite covered every aspect of the energy problem to prive its importance.

To begin with, I should like to criticize the comments of the hon. member for Saint-Hyacinthe (Mr. Wagner) who said—indeed that was his main argument—of all the opposition members from Alberta that his only objection to the bill is the fact that it gives rise to a confrontation between the rights of the provinces and those of the federal government. He indicated that the government members should protect the provincial rights. In fact, Mr. Speaker, we are federal members of parliament.

As far as the rights of the province of Quebec are concerned, I point out that they are directly protected by the provisions of this bill. Of course, the hon. member for Saint-Hyacinthe has not seen anything, since the province of Quebec is paying $6.50 a barrel for its oil, the international price being $11.65. They save thus $5.15 a barrel on the oil imported in Montreal, because of the measures we are trying to implement and to apply efficiently, and which are contained in the bill under study.

Indeed, Mr. Speaker, it is not at all a matter of taking powers from any province. The federal government has a national responsibility and he sees to carry it out with this bill, namely to ensure that the needs of the consumers in eastern Canada are met with western oil.

Mr. Speaker, since the federal-provincial agreement was entered into on March 31, we have in Canada a standard price for oil from coast to coast, taking into account the transportation costs. It is obvious that the province is the first to benefit from it. Otherwise, Mr. Speaker, the province of Quebec would have to pay $11.65 a barrel, while Ontario could have indulged in the luxury of paying less than $6 a barrel. The government has chosen to take its role seriously in spite of the position taken by the member for Saint-Hyacinthe, who asserts the rights of the province of Quebec and the other provinces. If we listened to him

and to his colleagues, we would give up our own responsibilities.

[*English*]

Indeed, Mr. Speaker, this bill is an extremely important one. I would have thought it would receive quick passage since we studied it for nearly a month last April.

An hon. Member: That was before the budget.

Mr. Blais: Yes, we studied the bill before the budget. I should like to take exception to what the hon. member for Peace River (Mr. Baldwin) said on second reading of the bill, then called Bill C-18. He said: "We will delay the passage of this legislation. We will study it with a fine toothed comb, and when we get it before the committee we will call witnesses galore and try and delay it as best we can". That is exactly what they did. The reason they did that is the same reason they are presently advancing, and the one the attorney general of Alberta gave when he appeared as a witness before the committee, namely, that it is a direct attack on provincial rights.

When Mr. Leitch appeared before the committee, he evidently had not bothered to read the bill beforehand, because if he had read it he would have seen that he was incorrect in his interpretation of its provisions. I suggest that no one has attacked the agreement which was reached on March 31; even the most recalcitrant members from Alberta have agreed it is essential for the stability of Canada's industrial complex and our economy as a whole. It is essential that there be some sort of equality regarding the cost of energy in this country; there is no doubt about that.

I should like to read what Mr. Leitch said when he appeared before the committee, as recorded at page 7 of committee report No. 15 of the Standing Committee on National Resources and Public Works. I am sure hon. members have read what he said. The hon. member for Calgary North (Mr. Woolliams) indicated that the principle of this bill had been negated by the agreement of March 31, and he repeated exactly what Mr. Leitch had to say. Mr. Leitch said:

> Mr. Chairman, I wish to conclude by commenting on part III, the part to which our most fundamental objections are directed.

The hon. member for Calgary North is evidently in error. Throughout his speech he referred to part III as being under attack, but according to Bill C-32 it is part II. So he was referring to part III of Bill C-18.

> Far from embodying a term of the first ministers' agreement it stands as a direct negation of the principles upon which that agreement was based.

● (1620)

> It permits the executive council to terminate an existing agreement between a producer province and the federal government or to decline to negotiate a renewal agreement and to impose by unilateral action maximum prices on a natural resource owned by a province.

That is absolute balderdash. That is not what the section says at all. If you will permit me, Mr. Speaker, I will read what the section does say, because it has been referred to. It provides:

> Where an agreement is entered into with a producer province under section 22, the governor in council may, by regulation, establish maximum prices for the various qualities and kinds of crude oil to which this part applies that are produced, extracted or recovered in that province.

It speaks of an agreement reached under section 22. It provides for the entering into of agreements, and it also provides power to act if an agreement is not entered into or if it is unilaterally reneged by one of the producing provinces: it provides the federal government with the power to impose a price. Would any member of this House argue that the federal government does not have power over interprovincial or, indeed, international trade?

Would anyone argue that any individual province in this federation has power to impose negative prices, or has power to impose a higher price or a two-price system in respect of a commodity which it exports? Is there anyone who would say that as far as interprovincial trade is concerned, the federal government does not have the obligation to ensure that everyone, in every part of this country, has a fair shake and fair access to a commodity produced within this nation? Anyone who would deny that assertion would be attacking the very principles of this confederation.

We are all Canadians. No one can tell me that in northern Ontario the consumer does not have the right to receive natural gas because the province of Alberta, through Pan-Alberta, does not want to send its gas to northern Ontario. If Pan-Alberta has the right to do that, then it goes directly against the principles of confederation and the unity of this great country.

That is exactly the position that is being taken by members of the opposition. They are suggesting that they are doing this at great and tremendous sacrifice on the part of Alberta and Saskatchewan because they are subsidizing the rest of this country. I have some figures here of considerable interest which I should like to draw to the attention of the House. In 1972, before we started to have difficulty and at a time when royalties in the province of Alberta were 16 per cent of the price of oil at the well head, the total revenue for Saskatchewan and Alberta was $270,900,000, or roughly 44 cents per barrel. In 1973, when an export charge was levied and there was some federal interference—I will agree with that—the rate went up from 16 per cent to 22 per cent. Premier Lougheed said that was as far as he would go in respect of royalties, and the amount went up to $480,600,000.

In 1974, when this difficulty really occurred and the federal government interfered with the rights of the province of Alberta, the amount to those poor Albertans went up to $1,500 million. That does not include the export charge payable by the federal government of an extra $200 million. I just do not understand how they can say they are subsidizing the rest of the country when we are talking in terms of royalties amounting to $1¾ billion. Let hon. members on the other side get up and say those figures are wrong.

An hon. Member: What is your source?

Mr. Blais: My source is "Oil Week".

An hon. Member: What issue?

Mr. Blais: It is the October issue. Apparently the hon. member has not read it. It seems to me like cheap potato

chips for hon. members to say that the province of Alberta is ready unilaterally to veto the agreement—because that is what they are saying. First of all, there was an agreement on March 31 to which they did not object. Hon. members suggest that it was all right for the federal and provincial governments to reach that particular agreement. But now they are objecting to it because, as they say, they did not agree that there ought to be power on the part of any government unilaterally to negate any particular agreement.

I fail to understand this and I object to it because, in fact, what is happening is that as far as natural gas is concerned, Northern and Central has a pipeline which serves that entire area. The area is being supplied now by Northern and Central. Gas is now being circulated all through southern Ontario and Quebec, even in Saint-Hyacinthe from which the hon. member comes. The company has indicated that it will be impossible to supply additional amounts of gas in the future. In my area there is strong dependence on natural gas for industrial consumption, but apparently they cannot anticipate receiving any increase in supply. I refer to a letter addressed to the Norfolk Hospital Association of Simcoe, Ontario, from the vice-president of marketing and sales of Union Gas Limited. It is dated August 6, 1974, and reads in part:

> Since late 1970 Union Gas Limited has been negotiating with its principal supplier, TransCanada Pipe Lines Limited, for additional volumes of natural gas from Alberta to meet the expanding requirements of its market area in southwestern Ontario. While additional contracts have been obtained, the volumes involved fall considerably short of satisfying the total potential demand in Union's franchise territory. Currently, TransCanada advises us that not only is it unable to provide additional supplies for expansion, but it is experiencing difficulty in contracting for sufficient new reserves in western Canada to sustain deliveries at present contract levels for any significant time into the future, and there is a possibility of curtailment in deliveries to its markets in one to two years' time.

Later in the letter we find this paragraph:

> Maintaining service at present levels to markets east of Alberta will cause shortages unless significant new sources from western Canada are brought on stream and made available to the principal consuming areas of the country.

This letter concludes by stating in the last paragraph:

> We regret very much having to give you this preliminary notification of a pending gas shortage. In view of the supply situation outlined above, we would ask you to advise us as to the possible effects on your planning and operations that any termination or curtailment of natural gas supply would have on your operations.

There is a shortage, according to TransCanada Pipe Lines. But let me read from an article which appeared in the *Globe and Mail* of Saturday, November 2, under the headline "Pan-Alberta, TCP dispute jeopardizes gas for Ontario". It reads in part:

> Pan-Alberta Gas Ltd. of Calgary has decided not to sell its natural gas supplies to TransCanada Pipe Lines Ltd. of Toronto, which supplies fuel to the three distributing utilities in Ontario.

● (1630)

That would include Northern and Central Gas Company. Gas will not be distributed to my area in any additional amounts. Pan-Alberta is not private enterprise, in the Tory or Conservative sense of the word, but it is a state capitalist in the Conservative or Tory sense of the word. My area, as well as the whole of Ontario, is being directly threatened by Pan-Alberta.

[Mr. Blais.]

Mr. Schumacher: I rise on a point of order, Mr. Speaker. Would the hon. member permit a question?

Mr. Blais: Mr. Speaker, I should like to conclude my remarks by saying that so far as I am concerned, the reason there is a wrangle in respect of this bill is the price. Pan-Alberta is concerned because if TransCanada Pipe Lines gets this extra volume, it will not bring up the price at the well head. Pursuant to an agreement to be reached between Alberta and the federal government—as has been the case in respect of oil—the price of that gas will effectively be brought up with the approval of all parties concerned, the producers and the consumers.

It is a coincidence, undoubtedly, that this particular article was published at the time this bill was under study. However, it directly indicates the need for the legislation which I trust, notwithstanding the effective opposition of the opposition parties, will be passed promptly and sent to the committees for study and approval. Then it will return to this House, where it will receive passage so that all its measures might be effected within the shortest possible period for the benefit of Canadians.

Mr. Schumacher: Mr. Speaker, since the hon. member has not used up all his time, I wonder whether he would permit a question. I should like to ask the hon. member why Union Gas and Northern and Central Gas will not negotiate with Pan-Alberta. Why do they insist on going through the TransCanada Pipe Lines' route when it is possible for them to negotiate with TransCanada and have TransCanada deliver as a common carrier, as Quebec has done?

Mr. Blais: They are negotiating. I have not been briefed concerning their negotiations. Perhaps the hon. member has some additional information which he could convey to the House concerning why they do not accept TransCanada Pipe Lines' offer. At any rate, for 18 years TransCanada Pipe Lines has established its markets through its distribution companies. At a time when there is bound to be a shortage in gas reserves in the near future, the province of Alberta should not use that potential shortage as a lever for its own private interests, to the detriment of the consumers in eastern Canada. That is a principle that this bill should recognize.

Mr. Harvie Andre (Calgary Centre): First, Mr. Speaker, I feel obliged to correct some of the inaccuracies of the hon. member for Nipissing (Mr. Blais). In respect of Pan-Alberta, which the hon. member claimed was provincially-owned, may I point out that 61 per cent of the shareholders of this company are residents of Ontario. With regard to the question of Union Gas being unable to supply its regular customers, the hon. member read from a letter that Union Gas sent, I believe, to a hospital association, in which it was said that they were unable to sustain deliveries at current contract levels.

If this means contract levels with regard to the price, small wonder; because the Minister of Energy, Mines and Resources (Mr. Macdonald) was moved to comment that natural gas was drastically underpriced and that if, in fact, it were to remain at this particular price level we in Canada would be wasting this fuel, utilizing it inefficient-

ly, and therefore in the not too distant future we would face severe shortages.

Mr. Macdonald (Rosedale): But I recommended price phasing as well.

Mr. Andre: The minister indicates he recommended price phasing. A year and a half ago, the province of Alberta indicated it wanted to see this brought about, but received no co-operation. Even at this late date I would invite the minister to consult the companies which own the reserves, and the province which administers them, to see if in fact they can work out an agreement for price phasing up to a realistic value without using the threat of this legislation.

The question of consultation and discussion in respect of energy, oil and gas supplies, with the provinces unfortunately is not a new issue. In fact, one of the few accurate statements made by the hon. member for Waterloo-Cambridge (Mr. Saltsman) was at the end of his speech when he said we must stop this chaotic approach to energy policy.

This reminds me of when I participated in the debate on second reading of Bill C-18 during the last parliament. Bill C-18 was the predecessor of this bill. I prefaced my remarks in that debate with the comment that it was with a sigh of relief I was rising to participate because we were finally seeing the beginning of the end of the federal-provincial confrontation on energy which has been going on for about a year and a half. Bill C-18 was accepted by me as the start of the process. But little did I know how wrong and how gullible I was to accept the word of the minister and the government in this respect. Let me quote from the remarks of the Minister of Energy, Mines and Resources as recorded at page 1235 of *Hansard* for April 8, 1974, when he was speaking of the March 27 first ministers' meeting at 24 Sussex Street which produced the agreement which lead to Bill C-18. The minister said:

> I would like to join with the Prime Minister in asserting that federalism triumphed in reaching a solution to a problem which was at its heart a matter of relative equities and sharing within our country.

That did not prevent the government adding a twister to the legislation which arose from this agreement, namely, that if the government unilaterally decides that the agreement is no longer applicable for one reason or another, and if in future they are not able to work out an agreement with regard to the price of crude oil, then after July 1, 1975, the federal government can unilaterally impose an agreement without recourse to the provinces. That certainly was not part of the agreement worked out at the luncheon on March 27. It is at least of questionable constitutionality. Even more laughable—it would be more laughable if it were not so sickeningly facetious—are the minister's remarks as reported at page 1234 of *Hansard* for April 8, 1974, when he said:

> —government policy has been to articulate three principles: First, that the price of Canadian crude oil should move upward to encourage exploration and development in Canada and thereby ensure further availability of our own resources, which will necessarily be more costly because they are both physically and technically less accessible, and also to ensure a continuing capacity for self-sufficiency.

● (1640)

Just one month later the Minister of Finance (Mr. Turner) introduced the budget and on May 8 the government confiscated any additional revenue that might have been available to help in the hunt for oil and gas. So how can you believe this minister? On April 8 he says that the first and foremost principle of the government's national oil policy is that there shall be sufficient revenues to finance the hunt for oil and gas which Canadians will need, and one month later his colleague confiscates those revenues. As was stated by Mr. Fred Kennedy writing in the Calgary *Albertan* of Saturday, November 2—I am paraphrasing here—anyone who accepts a commitment from this minister that is not in writing and witnessed, deserves to be duped.

An hon. Member: Right on.

Mr. Andre: Let us look at the history of crude oil pricing in Canada, which goes back a long way. However, I will not go all the way back; I will go back only to January 7, 1973, when there was an exchange of correspondence between Mr. Getty, minister of intergovernmental affairs of the Alberta government, and the federal Minister of Energy, Mines and Resources in which the latter pledged that there would be the fullest consultation before the federal government would implement a system of crude oil export controls. One month later, with no consultation, with not so much as a "by your leave," the federal government unilaterally imposed export crude oil controls. That was the first warning, in recent times at least, that the government of Alberta in future had better get more iron-clad guarantees rather than just a letter, even though it was signed by the minister.

Then there was the energy policy that was brought down in July of 1973, and again I commend the officials of the minister's department for putting together an excellent document containing excellent advice. I think on page 9 of that document it is stated that no national oil policy can be contemplated without the fullest intergovernmental co-operation and discussion. It also said, I believe on page 14 of the document, that it did not appear practical to build a pipeline from Sarnia to Montreal to carry western crude to Montreal. On September 4, just two months later, without any consultation at all, the government introduced a new national oil policy freezing the price of western crude at $4 a barrel and committing the government to a pipeline to the Montreal market.

Mr. Alexander: Shame!

Mr. Andre: However, when they froze the price of crude oil, the National Energy Board discovered that they would not be permitted to licence exports as a result of the National Energy Board Act. So, very quickly, the government invented the export tax. However, the Minister of Energy, Mines and Resources repeatedly assured the province of Alberta and the Canadian public—in this House, on more than one occasion—that this was a temporary measure that would last only until January 31, 1974. The last such assurance was made on December 5, 1973. On December 6, the Prime Minister (Mr. Trudeau) said, in spite of all assurances, that the price freeze would remain intact until the end of the heating season.

I think that was the fourth or fifth broken commitment. There was the first ministers' meeting of January 22 and 23 in which the minister proposed a hairy scheme for sharing export tax revenues. That was laughed at. As a result of that conference, which produced nothing, there was a meeting on March 27 at 24 Sussex Drive out of which came the agreement for one uniform price for crude oil across Canada, based on Montreal with transportation differences for the rest of the country, from which came Bill C-18. Again I greeted that with a sigh of relief, except for the fact that it contained the twister that the federal government would still retain a cudgel with which they could beat down the provincial governments if they found it necessary. But then, just one month after Bill C-18, along came the budget which totally wiped out any agreement, any good will, any feeling that we are now, finally, working together as a nation for the national good.

Mr. Alexander: The minister isn't even listening.

Mr. Paproski: The minister does not care.

Mr. Andre: It is a sad history of broken promises and commitments. Small wonder that some westerners state that commitments from this minister should be obtained in writing and be witnessed. I might add that they should be bonded, as well. Not only do they freely break commitments and promises; they cannot even be counted upon to obey the law. For example, let me quote from the Mineral Transfer Act, 1930, as follows:

—the interest of the Crown in all Crown lands, mines, minerals (precious and base) and royalties derived therefrom within the province, and all sums due or payable for such lands, mines, minerals or royalties, shall, from and after the coming into force of this agreement and subject as therein otherwise provided, belong to the province—

It could not be more explicit: the royalties belong to the province. Then how is it that the Minister of Finance can introduce a budget saying that companies will treat as income for taxation purposes these royalties which the Mineral Transfer Act states belong to the province? I might add that there is another section of the BNA Act, section 125, which provides:

No lands or property belonging to Canada or any province shall be liable to taxation.

The hon. member for Nipissing has indicated that the federal government has jurisdiction over trade and commerce. There is no argument about that. But it is also very clear that natural resources belong to the province; and there should not be any argument about that. To what extent can one level of government, in exercising its rights under the law, impinge on the rights of another level of government? Surely common sense would indicate that the proposals contained in this legislation and those which have been put forward by the government totally contradict the law in respect of the provinces having the right of ownership over these natural resources.

Does ownership simply mean that one has title, but none of the privileges? Is an owner prevented from utilizing the lands or minerals that he owns to his own best benefit? If that is the case, what is the use of ownership if in fact some other authority, in exercising what it considers its legal right, can restrict you from exercising any of the normal prerogatives of ownership? If that were the case, ownership would be meaningless. Surely we have not come to that in this country.

In total, the performance of this minister, of his colleague the Minister of Finance, and of the Prime Minister in respect of our oil position, has been incredibly inept and basically dishonest. Small wonder that one hears so much talk in western Canada of alienation and separation. I do not want to dwell on the subject, but it would be a great tragedy if in their arrogance the members of this government, the Prime Minister, the Minister of Energy, Mines and Resources, and the Minister of Finance, underestimated the depth of feeling that exists. I and all my colleagues here and in the provincial government of Alberta are Canadians first and foremost.

● (1650)

Mr. Macdonald (Rosedale): "But".

Mr. Andre: But, Mr. Speaker, there is a limit to how often one can take the abuse, the lies, the broken promises without some form of reaction, and that limit is now being reached. We want the federal government to demonstrate sincere concern for Alberta and for western Canada, and to show that their contribution to confederation is held in as high esteem as that of other parts of the country. We think that the problems of Alberta, Saskatchewan, Manitoba and British Columbia have not been given the attention they merit. There has been no consideration of the transportation inequities which have been raised time and time again in this House, and there has been no consideration of the effect of various other policies on the development of western Canada.

The hon. member for Nipissing quoted figures to indicate the wealth of Alberta. Perhaps he should look at some figures which show that in 1973 the average income of Albertans was $800 a year less than that of citizens of central Canada. There is a clear case of long-time neglect of the west, Mr. Speaker. The price of oil and gas has recently given western Canadians an opportunity to alter some of the traditional trends and to diversify their economy, develop secondary industry, provide a greater variety of jobs and maximize the benefits of gas and oil production.

We think those goals are consistent with national goals and that it is important to have strong regions. We believe a diversified economy is good for the country, yet everything we see coming from this minister and the Minister of Finance seems to work against that. It is to be hoped the new budget will put an end to this government's opposition and will bring more co-operation rather than confrontation.

Part I of this bill would give legislative sanction to history. In effect, parliament is being asked to put the stamp of approval on history. This is a misuse of its powers. I would implore the government to get away from this practice of legislating retroactively. Part II of the bill deals with the federal-provincial agreement. The hon. member for Nipissing quoted the testimony of the attorney general of Alberta when he appeared before the committee which studied the predecessor of this bill. The attorney general said no arrangement was worked out at the luncheon meeting which allowed the federal govern-

ment unilaterally to discard the agreement if it chose and unilaterally to impose its own price regime. Such an agreement was not worked out at that meeting, he said. If that is not a breach of intent, or if it is co-operative federalism, Liberal style, let us put an end to it.

Mr. Macdonald (Rosedale): That was specifically discussed.

Mr. Stanfield: It was not agreed to.

Mr. Macdonald (Rosedale): It was specifically discussed.

Mr. Stanfield: What kind of sophistry is that?

Mr. Andre: The minister says it was discussed. What kind of agreement was this?

Mr. Macdonald (Rosedale): That is why you were a real failure. You are the loser.

Mr. Stanfield: I am a loser in many respects.

Mr. Andre: The minister has indicated that we are the losers. There you have it, Mr. Speaker. In a minority government I can understand a minister of the Crown sometimes getting his political objectives mixed with the responsibility of his office, and therefore taking decisions that are politically expedient and not in the best interests of the country. It is unforgivable, however, for a minister in a majority government to be thinking along those lines. When is the minister going to start being responsible for the energy produced in this country? When is the minister going to start worrying about this co-operative federalism that his leader is always talking about on the hustings? What an incompetent minister! He is there for no other reason than he was the first English member of parliament to support Pierre Trudeau for the Liberal leadership.

Some hon. Members: Hear, hear!

Mr. Andre: Mr. Speaker, that provision was not agreed upon at the first ministers' meeting. It is contrary to any spirit of co-operative federalism. It may well be contrary to the constitution, as indicated by the attorney general of Alberta. It certainly is damaging to national unity. That cannot be understated. Part III of the bill deals with the question of gas prices. Despite all the verbal and written commitments to have the fullest consultation before new initiatives are taken on an oil policy or on an energy policy, the minister—without so much as "by your-leave"—brings forward this provision to control the price of natural gas.

Mr. Macdonald (Rosedale): Mr. Speaker, may I ask the hon. gentleman a question?

Mr. Andre: Certainly.

Mr. Macdonald (Rosedale): Are Alberta ministers asserting that there was no consultation about the federal measure with regard to gas prices?

Mr. Andre: Mr. Speaker, there was not time to work out an agreement with the Alberta government. There was an indication of intent from the federal government; then it appeared. Is that consultation?

Mr. Macdonald (Rosedale): Yes. Did we not consult—

Some hon. Members: Oh, oh!

Mr. Andre: That is consultation? I will argue with the minister about gas. That is something he understands—consultation Macdonald style. Why is the price of gas going to be controlled, Mr. Speaker? I should like to get around to that question later, but may I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Grenville-Carleton (Mr. Baker)—Urban affairs—Request for statement of government policy in respect of green spaces in cities; the hon. member for Ottawa-Vanier (Mr. Gauthier)—Housing—Suggested measures by Central Mortgage and Housing Corporation to control irregularities by other agencies; the hon. member for Rocky Mountain (Mr. Clark)—Appointment of Michael Pitfield—Possible change in criteria for making appointments.

[*English*]

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

PRIVATE MEMBERS' MOTIONS

[*Translation*]

CROWN CORPORATIONS ACT

SUGGESTED INQUIRY TO STUDY ACTIVITIES OF AND LEGISLATION RESPECTING CROWN CORPORATIONS

Mr. André Fortin (Lotbinière) moved:

That, in the opinion of this House, a special committee of inquiry on Crown corporations exercising financial, commercial or industrial activities be established to study the various Acts establishing such Crown corporations, the Crown Corporations Act, sections 76 to 88 of the Financial Administration Act, and all other laws concerning Crown corporations and to recommend to the House the adoption of a law regarding federal public enterprises; the committee should also study the following subjects without restriction (*a*) the legal rules pertaining to the employees of such corporations (*b*) their financial structure (*c*) the way in which they are financed (*d*) government control over said corporations (*e*) fiscal regulations (municipal, school, provincial and federal taxes (*f*) the status of the administrators (*g*) the privileges of such corporations resulting from their being "commis-

sioned by Her Majesty" (*h*) the status of the subsidiaries of these enterprises (*i*) their purchasing policy (*j*) the problem of auditing by the Auditor General of Canada or by private auditors (*k*) the appropriateness of State intervention in the economic field in the form of enterprises; and all other matters concerned. (*By unanimous consent was allowed to stand and retain its position*).

Mr. Speaker, I am pleased to have the opportunity to introduce this motion. I want to apologize first for my voice which mingled with that of demonstrators during the weekend. This does not mean that we must approve them, but we have to put up with them anyway.

I attach a great deal of importance to the motion on Crown corporations which I am introducing today. I am doing so for the third time. Each time, we manage to convince more and more members to support it.

What is the purpose of that motion? It is not to oppose the creation of Crown corporations nor to gloss over the activities of those corporations, but rather to throw some light on this whole governmental business.

To be more specific, Mr. Speaker, and to show the importance of that motion, I may say that it is a well known fact that the federal government now owns and operates an extensive industrial, commercial and even financial sector. For example, the government develops uranium mines through its Crown corporation Eldorado Nuclear Limited, and coal mines through the Cape Breton Development Corporation. The State is also engaged in mining prospection through the Quebec Mining Exploration Company, and oil exploration through Panarctic Oils Ltd. The State operates one of the largest railway systems in the world through the Canadian National Railways. It also operates a number of road transportation companies through the Canadian National Transportation Ltd., and the largest hotels in Canada through the Canadian National Hotel Ltd. The State is also involved in air transportation through Air Canada and Eldorado Aviation Ltd., in overseas shipping through the Canadian National and the Société de Transport du Nord Ltée. Moreover, the State is one of the biggest producers of rubber in the world through its Polymer Corporation Ltd. It owns and operates one of the most extensive radio and television broadcasting network in the world through the Canadian Broadcasting Corporation. It produces and sells electricity through Quebec Hydro and Ontario Hydro. It lends money at interest through the Industrial Development Bank, the Central Mortgage and Housing Corporation, the Farm Credit Corporation and various deposit and savings funds. Mr. Speaker, based on the estimated figures to be found in the annual reports of these corporations, the turnover of the State at the present time amounts to nearly $20 billion per year.

Mr. Speaker, this is an extremely important area of financial and business activity for the government. By moving this motion dealing with Crown corporations, I wish to call the attention of all members to three very specific facts. First of all, because Crown corporations were created by the federal government, we feel they should be accountable to Parliament, so that each one would operate strictly within its own area of activity. Now the only information we can get from those corporations as members of Parliament is some kind of a summary of their activities included in their annual report. In other words, parliamentary control is practically non-existent. I will give some examples later.

Second, the government owns and operates at present in Canada a hundred or so industrial, business or financial public enterprises, with assets of well over $20 billion. This contemporary phenomenon of a trading State raises many problems, for example: what will be the status of the trading State? What is its legal status? Several members do not know. Moreover, is the trading State subject to public law or to private law and, in both cases, in what circumstances? Then again, Mr. Speaker, few members, even those who have been in the House for a very long time, could answer this question. Will it have a mixed status proceeding from both private and public laws? Indeed, is it the private or the public law which applies in the administration of those acts? Finally, what control does Parliament have on those Crown corporations? That is another important question, Mr. Speaker. Why can the Auditor General, who is a parliamentary official rather than a government official, not audit the accounts of all the Crown corporations, but only those of a few? And yet, he would be the ideal person to exercise this parliamentary control on behalf of the members.

Another question one must ask, Mr. Speaker, is this: the main sources of information for the members on those corporate activities are: the annual report, the questions put on the order paper and the motions for the production of papers. But in those three cases, there are some serious shortcomings. What do we do with the annual report that we get at our office? We glance through it, we examine it, we scrutinize it paragraph by paragraph, but it does not say any more than what is written in it. It is a summary on administration. Its figures are roughly lined up and fail to inform the reader or the member on the internal operation of the corporation involved or on the role it plays within the economy.

● (1710)

Mr. Speaker, I would like to make a suggestion which seems most reasonable to me: reports should be referred to the standing committees of the House for consideration and review.

Mr. Speaker, the hon. members should be allowed to call officials of Crown corporations as witnesses in order to question them about annual reports. Thus would be recognized the important part hon. members play in the parliamentary control of Crown corporations. Let us not forget, Mr. Speaker, that Crown corporations administer over $20 billion a year, which is close to the federal government budget and that is why hon. members should have their say in that matter.

Some ministers will reply that all this is quite right but that it is still possible to ask a written question or, as is commmonly said, to put a question on the order paper.

In other words, the question on the order paper is the one the hon. member puts there. The questions may be technical but in all cases, and here I quote Beauchesne's Parliamentary Rules and Forms, 4th edition, citation 181, para. (3), page 153:

A Minister may decline to answer a question without stating the reason for his refusal, and it is irregular to comment upon such refusal.

Mr. Speaker, this means that according to the rules, a minister could be justified in refusing to answer a valid question when, normally, the hon. members should get the required information.

Mr. Speaker, I moved this motion especially for the hon. members to become aware of how limited parliamentary control is over Crown corporations: I quote:

It happens fairly often that the official of the company or the minister refuse to answer. The main reasons that are invoked are as follows:

Internal administration problems—A public corporation does not have to answer questions dealing with matters of internal administration. For instance, in a public enterprise, management has sole jurisdiction over matters pertaining to the "appointment of personnel". It does not disclose information coming from personnel files of officials or employees.

Here, I refer to a speech made in Paris in 1946 by Sir John Anderson, on the subject of public corporations. I quote:

—Similarly, "it is not customary to ask Crown corporations (public enterprises) for information on their employees or other matters of internal administration.

Here I refer to the *Hansard* of the House of Commons, for June 23, 1963, question No. 663:

It concerns the salaries, amongst other things, of employees and officials of Crown corporations. I quote:

Employees' salaries—A public Corporation will not answer a question whereby it is requested to disclose the salary level of an employee or a group of employees . . . salaries are considered as confidential matters.

All we need here is to refer to *Hansard* reports for October 23, 1963, November 4, 1963, October 30, 1967 and December 20, 1967 to find examples of this type of answer.

On the salary matter, the Minister of Justice said:

"It is to be noted here that in the Public Accounts, while the individual salary of any Civil Servant above a given bracket is indicated, the salaries of all the employees of a Crown Corporation are grouped under one single item. A question in the House put to the responsible minister is virtually the only way to be informed of the individual salary of a Civil Servant or official of a Crown Corporation, if the minister is willing to reveal it." Recently, the CBC stated through the responsible minister, "it is contrary to the Corporation's practice to disclose the salaries paid to an individual".

I now refer to *Hansard* of January 15, 1969. And I could quote many other references to illustrate this type of answer.

With respect to fees and honorariums paid to officials, it says:

Fees and honorariums—A public Corporation will also refuse to reveal the fees paid to an individual: "It is not common practice to ask the CBC to disclose the fees paid to any individual."

At this point, I am referring to Hansard of December 4, 1963 and December 18, 1963.

And in a similar case, the hon. Minister stated:

The CBC informs me that due to the competition it has to face, it does not usually disclose the fees paid to the individuals it happens to hire.

And here, I refer again to Hansard, Mr. Speaker, but I will spare you the reference.

Fourth, and I quote:

Contract following call for tenders.—The public corporation will refuse "to disclose the names of companies or individuals submitting tenders or to give information on tenders received".

Internal studies.—It was also decided that "it was against practice . . . to disclose the names of individuals assigned to studies". The corporation considers such studies as "private documents" for internal use.

And here, I refer to Hansard of February 26, 1969, on page 5969.

Remuneration of the executive director.—"It is the practice . . . not to disclose any information from personnel records of officials and employees and this practice is supported by the Sessional Committee on Railways and the Shipping.

I refer here to the deliberations of this committee on December 20, as reported on page 5665, and on March 10, 1969, as reported in Hansard, on page 6387.

—This answer was given by Air Canada, the Northern Transportation Company Limited, Eldorado Nuclear Limited, Cape Breton Development Corporation and Polymer. However, the C.N.R. the C.O.T.C., the C.B.C., and the C.M.H.C. . . . disclosed the remuneration of their executive presidents. Therefore, there is no uniform and well defined practice.

I would also say to my colleagues on both sides of this House that it is not a partisan motion. Its aim is on the one hand to demonstrate to hon. members that Crown Corporations have a very important commercial, financial and judicial part to play in our society and that these corporations are the continuation of government activity and, finally, that their budget is over $20 billion.

Mr. Speaker, when a member of Parliament gets in touch with the Canadian Transport Commission, Air Canada or the Canadian Broadcasting Corporation, there is every possibility that, considering the well established practice in the House, he will not get an answer and most of the time the minister, even if he would like to answer, will have done so in private rather than publicly.

It shows, Mr. Speaker, that parliamentary control over those government creatures that are the Crown corporations is almost inexistent. On the one hand, the annual report is general and incomplete and on the other hand, questions on the Order Paper involve no obligation for the minister to answer and finally, the member of Parliament really cannot on his own authority, meet the chairmen of those corporations to get the information he wants.

So, Mr. Speaker, when the time comes for the House to approve estimates or subsidies to be applied against the deficit of the Canadian National or Air Canada or any other Crown Corporation, under the out-dated system that we have, the member of Parliament has the right, the obligation to approve subsidies to offset a loss but cannot, under the rules, make a corporation explain its deficit. It only does so in answer to a formal request from the minister who, then, must be kind enough to convey the information to us.

Mr. Speaker, I shall not discuss the motion any longer, so that my colleagues from both sides of the House will have the opportunity of expressing their views.

I just wanted to point out that this is not a motion for or against the corporations. My only aim is to have a special committee appointed to study the whole operation of the Crown corporations and their relation with Parliament, so that one day Parliament may have direct control over them.

Crown Corporations

[*English*]

Mr. D. M. Collenette (York East): Mr. Speaker, it is a great pleasure to talk to the motion before us in the name of the hon. member for Lotbinière (Mr. Fortin). The hon. member also has on the order paper a very complex bill on this subject. I studied over the weekend and I must say that a number of the points it makes are very relevant and should be looked into further. It seems there are two basic issues involved here. The first concerns the principle of Crown corporations; the principle of state intervention in the economy through Crown corporations. The second deals with the accountability to parliament of these corporations.

I do not wish to take the time of the House debating the philosophy behind the setting up of Crown corporations, but I should like to talk about their accountability to parliament. Part VIII of the Financial Administration Act relates to Crown corporations and incorporates provisions dealing with the control and accountability of such corporations as well as certain financial aspects of their operations. The act defines a Crown corporation as "a corporation that is ultimately accountable through a minister to parliament for the conduct of its affairs". It establishes a threefold classification of Crown corporations and develops a systematic pattern of relationships between corporations, on the one hand, and parliament and ministers on the other.

A departmental corporation is defined as one that is a servant or agent of Her Majesty in right of Canada responsible for administrative, supervisory or regulatory services of a governmental nature. It is, in fact, an ordinary department of government which has been given corporate status. It is subject to the direction and control of a minister and must rely on parliament for annual appropriations to cover its financial requirements. An agency corporation is one that is an agency of Her Majesty in right of Canada, responsible for the management of trading or service operations on a quasi-commercial basis, or for the management of procurement, construction or disposal activities on behalf of the Crown. Like a department or a departmental corporation, it is subject to a considerable degree of ministerial control. Although no very sharp line of division can be drawn, a distinction can perhaps be made between a department as the servant of a minister and a corporation as his agent.

A proprietary corporation is one that is responsible for the management of lending or financial operations, or for the management of commercial and industrial operations involving the production of, or dealing in, goods and the supplying of services to the public. It is ordinarily expected to conduct its operations without appropriations. It usually has a considerable amount of managerial freedom, and such control as the minister or the governor in council exercise over it is comparable to that of a shareholder who holds all or a major part of the stock of a private company.

● (1720)

While the minister is not usually held responsible for the day to day acts of the servants of a proprietary corporation, as he is for the acts of the officers of his department, he is often given a statutory right to intervene to give advice or directions and to demand an accounting so as to ensure that there is an adequate measure of public control and accountability. A further distinction is that, since the amendments to the Income Tax Act in 1952, a proprietary corporation is subject to income tax.

A general pattern or blueprint of the financial relationships of Crown corporations with parliament and the ministry is set out in the Financial Administration Act, but this is not a complete and exhaustive statement of those relationships. Some Crown corporations are not listed in the schedules and are not subject to the act. Some are subject to specified sections of the act, while others that are listed are subject to it only to the extent that it does not conflict with the special statutes under which they were created or under which they operate. Thus, the Canadian Wheat Board, the Bank of Canada and its subsidiary, the Industrial Development Bank, are not listed in the schedules because of their special functions; they are excluded from the application of the act and are governed by the acts incorporating them.

When a Crown corporation is to be created, the usual practice is for parliament to enact a statute, which authorizes the establishment of the body and defines the corporate powers and purposes, outlines the basis of its financing and sometimes sets limits on its borrowing powers, determines the size and type of the board and sets the basis for the selection of members, the period of their tenure of office, remuneration, qualifications and grounds for removal. Some statutes, however, such as the Department of Defence Production Act, the Atomic Energy Control Act, the Research Council Act and the St. Lawrence Seaway Authority Act, contain provisions delegating the power to establish corporations to the governor in council, a minister or other specified authority under the provisions of the Canada Corporations Act. Perhaps it might be better that all these Crown corporations have their terms of reference clearly defined by parliament.

Canadian Crown corporations, following business practice, are usually managed by boards of directors. There is no uniform practice in dealing with the constitution of the boards, their size and method of selection, or with the tenure of office, remuneration and removal of directors. Provision for each corporation is made in light of its special needs and circumstances. I think the hon. member made a very good point. Perhaps the public does deserve to have closer scrutiny of the salaries paid to officials of Crown corporations and of their general hiring and management practices.

Appointments to the boards are usually made by the governor in council rather than by a minister, although a minister customarily makes the recommendations and in case of companies incorporated under the Canada Corporations Act he may actually make the appointments. It is not the practice to appoint ministers to the boards of Crown corporations. When departmental representation is required, civil servants are usually named, but the majority of the part-time members of boards are selected from outside the public service. The remuneration of board members is usually fixed by the governor in council. However, when a civil servant is named to a board, he serves without additional remuneration.

There has been some discussion by hon. members of members of this House sitting on the boards of Crown

corporations. I think this aspect of a member's parliamentary life should be looked into. As a freshman member of parliament, I think it would be very useful to participate in decisions affecting Crown corporations which are involved in so much of the economic life of Canada. Indeed, one of my colleagues, a little later, may delve into this aspect of members participating on boards.

Except for a modest provision for making working capital advances to Crown corporations, the Financial Administration Act contains no specific authority for financing the capital and operating requirements of the corporations. The methods of raising funds for the capital purposes of the corporation are usually set out in the company's statute of incorporation, but provision may also be made in special statutes, as in the case of the Canadian National Railways, or in votes in annual appropriation acts, as in the case of Atomic Energy of Canada Limited and the National Harbours Board.

In general, capital requirements may be financed from internally generated funds and other reserves of the corporation, in so far as these are available and are not required by law to be paid into the consolidated revenue fund; from the sale of bonds or debentures to the public with or without the guarantee of the government; from loans, advances or outright grants out of the consolidated revenue fund; from the sale of equity stock to the government; or from borrowings in the private sector secured by the pledging of corporate assets. Where a corporation's funds are not sufficient to finance its operating requirements, financial assistance for all or part of its programs is usually sought from the government. This is usually extended through outright parliamentary grants unless there is a reasonable expectation that operating deficits will be offset by surpluses within a relatively short time.

Certain corporations have the power to borrow from the public. The instances in which they have been able to borrow from the public without a government guarantee have been confined to short-term requirements, and usually from the chartered banks with which they normally transact business. Their long-term borrowings from sources other than the federal government have usually required a government guarantee. Where such a guarantee is involved, parliamentary authority is required; in addition, the terms and conditions of the loan itself, as well as the guarantee, require prior approval by the governor in council.

Government loans to Crown corporations for the financing of capital expenditure programs, whether such programs involve the acquisition or construction of assets, the lending of funds to the public or the strengthening of a corporation's working capital, are, in almost all instances, interest-bearing. The interest rates for loan drawdowns are usually set quarterly on the basis of the cost to the government of borrowing funds for a comparable period, plus approximately one-eighth of 1 per cent to cover other costs not reflected in the interest rate, and these rates are applicable for the whole period of the loan. Usually, loans are repayable over the period of the loan, with periodic payments of principal and interest.

Where loans are made for the acquisition of fixed or physical assets, the repayment schedules are usually based on the expected useful life of the assets for which loans are incurred. In some instances the periods are stipulated in the applicable legislation. No attempt is made to deal with each individual asset and its expected life but, instead, with groups of similar assets. For example, in the case of a power plant, the amortization period is based on the expected useful life of the plant as a whole, rather than on its individual parts. Where loans to the corporation are for the purpose of relending to the public, the repayment period is usually based on the period or periods over which the corporation in turn receives repayment.

Controls operate in a number of ways, but the most significant are the provisions of the statute under which the corporation was created. These encompass the nature and constitution of the governing board and the appointment and removal of members or directors; the approval of budgets and proposed methods of financing; the determination of the criteria to be followed in ensuring that satisfactory accounting records are maintained and financial administration procedures followed; the requirements of an independent and effective audit; and the preparation and submission of adequate annual and other reports which fully disclose the activities, operations and affairs of the corporation.

It is here that I take exception to the remarks of my colleague from Lotbinière, in that I believe the reports of Crown corporations do, in the main, serve their purpose. They inform the members of the House and the general public of areas in which they have been active during the year and reflect the general record of the corporation. There are other areas of control such as the approval of bylaws, contracts and the salaries of senior officers, the right to issue directives and the requiring of information. Not all of these are of equal importance or of uniform application to all corporations.

The basic financial control of the Crown corporation is through requiring the submission and approval of budgets. Under section 70 of the Financial Administration Act all agency and proprietary corporations prepare annual capital budgets which are submitted to the appropriate ministers, the President of the Treasury Board and the Minister of Finance, for their recommendation to the governor in council. After approval by the governor in council, the budgets are laid before parliament. Major projects or expenditures are set out in the budgets, including estimates of proposed capital expenditures for land, buildings, plant and equipment, increases in working capital, amounts required for redeeming maturing indebtedness and, in the case of those companies which administer lending programs, the amounts required for making loans.

● (1730)

An estimate is usually made of the over-all cost of a program, of the estimated commitments for future years, and of the cash required for the year under review. Some indication is also given of the sources from which the funds required will be obtained. The approval of the budget does not constitute an authority for the corporation to borrow, nor does it signify an undertaking on the part of the government to lend or to guarantee loans. These powers must be specifically granted by parliament, either annually or in a general continuing authority, and the terms are usually subject to the approval of the governor in council.

Agency corporations are also required to submit their operating budgets for the approval of the two ministers, the appropriate minister and the President of the Treasury Board, but there is no specific requirement to lay these before parliament.

Proprietary corporations are not required to submit operating budgets, presumably on the ground that they should be freer than agency bodies in the management of their own affairs. Nevertheless, there are several exceptions. For example, the Canadian National Railways and, as the hon. member mentioned, the Cape Breton Development Corporation are required to submit both operating and capital budgets to parliament. However, the nature and magnitude of operations of both agency and proprietary corporations are subject to parliamentary approval when funds are sought to cover operating deficits.

Statutes of incorporation usually require a corporation to maintain an accounting system satisfactory to the responsible minister. Under the Financial Administration Act a corporation must keep proper account books and related records, and may make provision for reserves for the depreciation of assets, uncollectible accounts and other purposes, subject to the direction of the Treasury Board.

Annual statements of accounts are required, for which standards of disclosure and reporting comparable to those required of private companies are established. These are to be prepared in accordance with such directions as to form as the Treasury Board may give. In addition, a corporation must make such other reports of its financial affairs as the appropriate minister requires.

The auditor of a Crown corporation is usually designated in the statutes of incorporation, although some acts merely provide for an appointment to be made by the Governor in Council. When the designation is by statute the Auditor General is usually named, but when an act provides for appointment by the Governor in Council the choice in the past has been made from private auditing firms. However, even in the latter case the Auditor General is eligible for appointment; the Financial Administration Act provides that, notwithstanding any other act, he may be appointed the auditor or a joint auditor of a Crown corporation. I think this goes far enough to answer the point brought out by my colleague.

The Financial Administration Act gives comprehensive directions embracing both the accountancy and authority aspects of the audit. The auditor of each corporation must report annually to the appropriate minister, and the general form of his report is prescribed. Each Crown corporation must submit its annual report, together with its financial statements and the auditor's report, to the appropriate minister, who must lay its report before parliament within 15 days after he receives it, or, if parliament is not then in session, within 15 days after the commencement of the next session.

In 1951 the Public Accounts Committee recommended that the annual report of each Crown corporation should be referred for study to a select committee of the House, and that the annual reports of all Crown corporations should be published together in one section of the public accounts.

[Mr. Collenette.]

Usually some direction as to the disposition of surplus moneys of Crown corporations is given in the statutes of incorporation.

Agency corporations are usually required to surrender their profits to the Receiver General. The Canadian Commercial Corporation, which may retain for its own purposes all moneys received in the course of its business, is an exception, although the Minister of Supply and Services may direct it to pay over to the Receiver General any of the moneys administered by it that he considers to be in excess of requirements.

The proprietary corporations usually have a greater degree of freedom in using their own funds, and many are permitted to retain their profits. However, the practices followed differ from corporation to corporation. For example, Central Mortgage and Housing Corporation, the Farm Credit Corporation, and the Royal Canadian Mint may retain their earnings to establish reserve funds, but when the statutory limits on these have been reached all additional earnings are payable to the Receiver General.

The Northern Canada Power Commission may retain its surplus earnings, to be used, subject to the approval of the Governor in Council, in the reduction of rates to consumers. The Export Development Corporation may pay excess moneys to the Receiver General on demand. The Financial Administration Act contains a variation of this provision, whereby the Minister of Finance and the appropriate minister, with the approval of the Governor in Council, may require a corporation to pay to the Receiver General any moneys considered to be in excess of requirements, such excess to be used to discharge any debt owing by the corporation to the Crown, or to be applied as revenues of Canada. This provision, however, is operative only when it is not inconsistent with any legislation applicable to a corporation.

The Minister of Finance exercises a general control over the designation of bankers and depositories for Crown corporations. Under the Financial Administration Act a corporation, with the approval of the minister, may maintain accounts in the Bank of Canada and in such banks in Canada or financial institutions outside Canada as he may approve. Normally commercial banking facilities are used, although in a few cases the Bank of Canada has been designated as the depository for a corporation's bank balances. There is a further provision in the act authorizing the Minister of Finance, with the concurrence of the appropriate minister, to direct a corporation to pay all or part of its money to the Receiver General, to be placed to its credit in a special account in the consolidated revenue fund.

[*Translation*]

Mr. Ralph Stewart (Cochrane): Mr. Speaker, the motion of the hon. member for Lotbinière (Mr. Fortin) is similar to the one I moved a few years ago, but, in fact, his goes further. Mine only suggested that there be at least one member of parliament on the board of directors of every Crown Corporation, to ensure a better control of the expenditures the government makes through its corporations. The hon. member for Lotbinière thinks that it might be convenient to form a special committee of the House to study every aspect of Crown corporations. It is a good suggestion, although I do not necessarily agree with

everything the hon. member said. It seems to me that this question should have been discussed long ago.

[*English*]

When I say I do not agree with everything the hon. member for Lotbinière has said, what I mean is I think he has decreased his chances of having this motion passed by the House. It is not that I disagree with anything specifically in his motion, as I think it is an excellent motion, but the fact that he says we must have a special committee look into the aspects of each and every Crown corporation—at least that is the way I interpret it—means that we would have a committee studying all of these Crown corporations for a very long time. I do not know how many there are, but I think there are over 40. Therefore, for the simple reason of practicality I could not go along completely with the motion of the hon. member.

If the hon. member were to propose his motion in a different way so the House could consider asking for the subject matter to be referred to the committee I think his motion would be more acceptable to the House, and I would encourage him to do so. This is a subject that has been very dear to my heart since I have been a member, and I have spoken about it over the years.

● (1740)

I feel very strongly that as members of parliament we come here to represent the people of Canada and yet are unable to represent them properly simply because we have no control over certain aspects of government spending. It is suggested that Crown corporations must be autonomous and independent. We can all realize why, under certain conditions, a Crown corporation must be autonomous, but there certainly must be some kind of control, some kind of answerability, whereby Crown corporations must exercise responsibility to the people of Canada through their elected members who speak on their behalf.

Many times in this House and in committee we have asked a minister for some information, or have made a suggestion concerning a Crown corporation under his aegis, and have been told that that body is autonomous, is independent, and therefore he will have to refer the matter to that corporation.

In many instances the minister seems to have absolutely no control over such bodies. We could take almost any Crown corporation as an example. The CNR is an obvious one. The CBC is another. No one wants to control the press of this country. I am sure no one would suggest that the government should control the CBC. On the one hand while no one suggests the government should have control over the press, on the other hand such a body as the CBC should not have licence—which very often is the term used in the name of freedom of the press—to do whatever it wishes. There must be certain norms established, and I say this must come through the voices of the representatives of the people.

I wonder whether perhaps the hon. member would consider making an appeal to the government on the basis that it really is not necessary to have Crown corporations examined in detail by a committee but rather that we should have an opportunity in committee to examine all the general aspects of Crown corporations, and particularly the answerability feature.

In the past I have suggested that members of parliament should be members of the boards of directors of Crown corporations. This has been done in some provinces. It has also been done in some other countries. However, this has not met with complete approval in this House up until now. Perhaps this is not the answer, but at least it is a suggestion. It would seem to me that a special committee, such as the committee proposed by the hon. member for Lotbinière (Mr. Fortin), could be the vehicle to examine the feasibility and the pros and cons in respect of members of parliament being on those boards. The committee could examine all the other aspects having to do with the answerability of these corporations to the people of Canada through their representatives. So I would make that suggestion to the hon. member. Perhaps he might see his way clear to do this.

I rather think the government would be of a mind to accept that kind of approach. From what I understand—and I hope this is the case—more and more items discussed here in private members' hour, whether by way of notices of motions or specific bills, will be referred to committees, or at least their subject matters will be so referred. This does not necessarily mean that the government says it will grab the ideas proposed, but rather that it will allow such items to go to a committee for study. I believe this is a great step forward because, in the last few years, it has developed that private members' hour has been nothing but a time for members to come forward with their favourite ideas only to find that no one would listen, and that motions and bills would simply be talked out. It certainly is not my desire to talk out this particular motion. I simply want to say I would encourage the hon. member to use this approach to the government, and I would encourage the spokesman for the government to recommend that this matter be referred to a committee so that the general aspect can be studied in detail.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, it is always a pleasure to discuss the subject of Crown corporations. The hon. member for Lotbinière (Mr. Fortin) is to be commended for his persistence. As he indicated at the commencement of his remarks I think he has more and more won approval from members of this House for the kind of action or stance he wishes to take.

The hon. member for Cochrane (Mr. Stewart) favours a somewhat different approach, namely, the appointment of members of parliament to boards of directors. When one realizes there are approximately 40 Crown corporations perhaps it is not appropriate to take this position. However, I do not think the hon. member for Cochrane would suggest that a member of parliament should sit on the board of directors of each Crown corporation. Most assuredly there are some corporations in respect of which I believe there would be some merit in considering his suggestion.

Having been a member of the Public Accounts Committee for some years, I am aware of the frustration experienced by members of that committee when it is felt that a particular Crown corporation warrants more thorough or in-depth investigation. I remember, I believe it was during the first parliament I was here, that of 1968-72, when we had an opportunity to study the expense

accounts of CBC personnel travelling abroad, and also the expense accounts of CBC personnel travelling within Canada.

The Auditor General had conducted quite a thorough study at that time. He compared the hotel rates being paid in various places such as Winnipeg, Victoria and Quebec. I think it is worthy of comment that the Auditor General could not find fault with the personnel of the CBC. If anything they were found to have been quite frugal in the manner in which they used expense money, recognizing that after all it was the taxpayers' money.

The frustration we experienced was when the CBC management decided that something was to be filmed in Toronto and decided to move 14 or so personnel from Winnipeg to the Toronto area. All we could study was whether or not those 14 people had lived within the limits of their expense accounts in respect of hotel accommodation, taxi cabs, meals and so on. What we could not get at in that committee was the reason why it was necessary to have 14 people travel from Winnipeg to Toronto. We could not determine whether the personnel might have been available in Toronto, or whether it might have been possible to use some camera men, for instance, under contract. That was the type of frustration felt by the committee.

I think that is the type of problem the hon. member for Lotbinière and the hon. member for Cochrane are trying to solve, that is, that when board decisions are made to move personnel or to move them by a particular means of conveyance, a committee should have an opportunity to determine why such a particular decision was taken. This, I believe, is an example of the frustration experienced by many members of parliament in respect of Crown corporations.

To my way of thinking—and the hon. member for Cochrane touched on this—the hon. member's motion is too broad to be accepted by the government. In other words, he is suggesting a special committee of inquiry seemingly to look into all Crown corporations. Yet he was quick to point out that he is not challenging Crown corporations, he is not saying that there is anything wrong with them but that there might be something wrong. What he is saying is that we do not have an opportunity to do an in-depth study of Crown corporations under the present circumstances.

● (1750)

I was impressed by the research work done by the hon. member for York East (Mr. Collenette). I must say quite sincerely that listening to his address today I learned a fair amount about Crown corporations. Obviously when asked to participate in this debate he did so seriously, and did a tremendous amount of research. I must also say quite frankly that my interest in Crown corporations has been fairly parochial. I was interested in the workings and machinations of Polymer, now called the Polysar Corporation. But I think the hon. member indicated a broader interest. He also showed us the manner in which one can check out and study budgets if one is moved to take that particular course of action.

I do not know how closely the hon. member for Lotbinière was listening to the address of the hon. member for York East, but I would commend it to him. There was a tremendous amount of information contained in it which he could study. He might say, "If that is the way that certain Crown corporations operate, I really do not think I am too interested in them. There seem to be enough safeguards, and if I want to do so, I can find out by either going to the minister, by putting a question on the order paper, or by attending the committee."

Listening to the hon. member's comments I found that he was good enough to point out that there were areas where it might not be such a bad idea to have a more thorough investigation into a particular Crown corporation, in support of the stance of the hon. member for Cochrane.

So we seem to be of one mind here. The only differences are in the methods or means of approaching this, whether we establish a special committee of inquiry, whether there is sufficient protection now to protect the Canadian taxpayer, or whether we need members of parliament or other people appointed to represent the government on these boards of directors and to report directly to parliament. I think that is the thrust of the motion we have before us today.

I support the idea that all these motions should not be talked out. In the six years that I have been here I have heard some excellent ideas advanced during the private members' hour. I have participated in several of them to the point where the hon. member for Winnipeg North Centre (Mr. Knowles) once referred to me as the hatchet man in the private members' hour. However, I was sincerely interested in the subject matter of the debate and wanted to participate in it.

Unfortunately when one is on this side—and most of the motions emanate on the other side, which is appropriate because we here have other avenues of promoting our ideas—one ends up speaking for five minutes only and being called a hatchet man, whereas the individual who introduced the motion might have taken twenty minutes. This makes it difficult for us to express our judgment. But there are instances of ideas put forward in private members' hour being adopted, and probably this is what encourages the hon. member for Lotbinière to keep pressing the point he is making today.

Let me say, on a sad note, that when a Canadian destroyer had a fire and explosions on board, this came to my attention because one of the crew members on that ship was from my riding and he died in the course of the accident. Under the rules of the Department of National Defence, which were still a hangover from wartime, a sailor had to be buried on land closest to where he was killed, even though, as in this case, he had never set foot on it. Then there was the ridiculous situation of a man in the Canadian army who went on a course to Great Britain, and on the train from his port of landing died from a heart attack. He had to be buried in Great Britain although he had only just got off the boat which took him there.

The Americans, in spite of the great number of soldiers who were killed in the war in Viet Nam, established a policy whereby people killed on active service were brought back to their native land if their families so wished. I put forward a motion that the families of Canadian personnel killed in the course of performing their duty should have the option to have them buried in

the place where they performed their duty, or brought back home.

Frankly, I am not getting off the subject, Mr. Speaker, but rather stressing this point to indicate to the mover of the motion that there is hope that motions such as mine and the one before us might be adopted and accepted by the government. If a bill is introduced, possibly it will not be accepted but the subject matter of the bill might be proceeded with and studied by a committee.

I thought the hon. member might be interested in a few facts. In reference to Crown corporations let me point out that today there are approximately 40 of them. When I did my research on that subject I found it mind boggling. I did not realize there was that much necessity for government involvement. I think the point made by the hon. member is good, that we have to keep our eye on these Crown corporations.

Let us look at the short period of ten years from 1963 to 1973. Legislation was passed to create a number of Crown corporations. For example, in 1963 the Economic Council of Canada was created; in 1966, the Company of Young Canadians; in 1966 the National Arts Centre Corporation; in 1967 the Canada Deposit Insurance Corporation, again in the same year the Canadian Film Development Corporation, the Cape Breton Development Corporation, the National Museums of Canada; in 1969 the Freshwater Fish Marketing Corporation. I will not go on with them. If I were trying to kill time I could list several others that are here, but I do not wish to do that.

Mr. Knowles (Winnipeg North Centre): You don't have to try.

Mr. Cullen: What disturbs me, and I am sure disturbs hon. members, is that from time to time legislation must be introduced to increase the powers of existing corporations to enable them to fill the changing demands of the areas which they were set up to serve. I am sure that this is necessary, but I think it should be scrutinized very carefully because I do not like to see the government getting involved in it.

When I see a Crown corporation expanding, I ask myself: is that not a role that could be better played by private industry? My view is that if it can be, we have no business there. Let private industry look after that. There may be areas where we must move in, and the one which we have heard about most is the Cape Breton Development Corporation. I think it was set up in 1967 to carry out the rationalization of the coal industry, and to broaden the base of the Cape Breton economy by making it less dependent on coal. I think this is where the government had an obligation to move in to help the area.

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members' business has expired. I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade, be read the second time and referred to committee of the whole.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, a few minutes before I called it five o'clock I had made some comments which, with the indulgence of the House, I should like to withdraw.

The Minister of Energy, Mines and Resources (Mr. Macdonald) had made an off the record comment about my leader which caused me to lose my temper, and I made some comments regarding the minister's competence and how he came to occupy his present portfolio.

The remarks in respect to competence I do not withdraw; his record speaks for itself. The remarks on how he came to occupy the portfolio can only be conjecture on my behalf. I should like to withdraw those remarks and would prefer I had not made them in the first place.

Mr. Macdonald (Rosedale): Mr. Speaker, on a question of privilege, I appreciate the hon. gentleman's sentiments. If I exchanged remarks across the floor in the same vein, I withdraw them as well.

Some hon. Members: Hear, hear!

Mr. Andre: However—

Mr. Knowles (Winnipeg North Centre): Not just a simple but? It is however!

Mr. Andre: Mr. Speaker, Part III of Bill C-32 deals with the question of price controls on natural gas. From the minister's remarks it appears that he feels it necessary for the government to impose price controls on natural gas because the price is below commodity value and, therefore, there is a considerable likelihood that this valuable fuel would be wasted. That does not justify this approach, Mr. Speaker.

In violation of the minister's commitment to consult fully with the purchasing provinces before taking such a step there is provision in this part to allow him to decide unilaterally what the price shall be. We should ask why gas has not reached its proper commodity value now, and the answer is that a competitive market does not exist. There is a monopoly buying situation through Tran-

sCanada Pipe Lines. The solution is to require TransCanada to act as a common carrier, Mr. Speaker. That would produce a multiplicity of buyers and suppliers. There would be a competitive market, and the price of natural gas would reach the proper level. Canadians would be spared the expense of a tremendous bureaucracy to implement this part of the bill, as well as the tensions of federal-provincial conflicts.

There are some fundamental questions that western industrial producers as well as the provinces would like to have answered, Mr. Speaker. Who would receive the additional revenues? Is the government going to invent some new kind of tax to skim off the cream? Why is it that the minister has not introduced general price controls on all energy? If there is in effect a national policy of price controls on energy, why are hydro, coal, wood, uranium and all sources of energy not included? Westerners might be forgiven for thinking that it might be because these other commodities have to be purchased from provinces other than Alberta.

Part IV of the bill deals with cost compensation, which is a tremendously complicated method of arriving at the subsidy level for oil imported by eastern producers. When asked in committee why there was such complexity, government spokesmen said they wanted to avoid paying some companies too much. So they came up with this complicated system which removed the incentive to shop around for the best price on the international market. That resulted in crude oil costing less in Montreal than in Toronto.

According to the national oil policy which came out in dribs and drabs over the past year there was to be a uniform price across Canada, based on the Montreal price less the cost of transportation. But now the Toronto price is higher than Montreal. That is a good thing for the people of Montreal, of course, but how is a pipeline justified in that case? I wonder if Interprovincial Pipe Line Company is having second thoughts? Why build a pipeline when the system in place gives Montreal a cheaper oil than would be the case if pipeline tariffs had to be paid?

● (2010)

Part V contains a provision that Bill C-18 contained, namely, that a federal civil servant can walk into the office of any premier in Canada and seize any files he chooses. That is an absurd provision, to say the least. It is another example of the arrogance of this government.

The saddest aspect of this whole energy federal-provincial confrontation of the past year and a half is what is happening to the country in terms of our future economic viability and loss of potential. Right now the oil and gas industry of Canada is, essentially, in neutral. It is fulfilling commitments made a year or two ago, but not undertaking any new commitments to explore and develop new reserves.

Statistics indicate about a 10 per cent drop in drilling activity. That in itself is alarming. We should be increasing our exploration and development in order that we will be self sufficient in the future. These statistics do not however show how bad the situation really is because the companies are in neutral.

[Mr. Andre.]

A lot of the expert personnel who are necessary for healthy exploration and development activity are leaving Canada. I refer to the drilling companies and their personnel. So far we have lost 37 or 38 rigs. These are long footage rigs, the most expensive and most difficult to replace. Even worse, we have lost the personnel to go with these rigs. We have lost seismic crews, geochemists, geologists and geophysists. These are Canadians who were born and educated in this country. They did not want to move, but things have come to a halt. In order to maintain their livelihood they have moved to Denver, Dallas or Houston.

People in the inudstry have indicated that if we went back to the post March 27 mood that existed in the pre-budget period when it looked like the energy situation was straightened out, it would take two years to restore the previous effort. We have lost two years, and every day of delay prolongs that.

In order to make any sense whatsoever, a national oil policy must have as its prime priority the development of sufficient supplies for Canada to remain self sufficient. We have the geological potential to be self sufficient in conventional supplies. We have the tar sands with their enormous potential, as well as enormous reserves of other forms of energy. It would be a tragedy, to put it mildly, if we did not develop this potential and did not remain self sufficient in the future. I might say there is a very good possibility we will not do so if things remain the way they have been, Mr. Speaker.

There is continual federal-provincial bickering and changing of rules. Commitments made one month are broken the next. All this has shattered the confidence of the industry. A severe decrease in activity has resulted. This country's long-term potential is being endangered. How do we get out of this situation?

It is essential that the Minister of Energy, Mines and Resources and the government start the ball rolling by making some gesture to indicate they have lost interest in maintaining this fight. The provinces would like to see it come to an end. They would like to see a mood of optimism and enthusiasm restored in the oil and gas industry. They would like to see these companies develop the reserves that Canada will need.

A good place to start would be by removing clause 36 of this bill which states the federal government can unilaterally impose its will on the producing provinces. Removal of that clause would demonstrate that the government has confidence in the goodwill and interest of Canadians in other parts of Canada in the future of this country, and is willing to gamble on co-operative federalism. If it made that simple gesture it would go a long way toward improving the atmosphere that exists, and putting an end to this ceaseless bickering.

I do not think it can be said often enough or loud enough that Canada is the only western industrialized nation that is self sufficient in energy. We have an opportunity that we have not had in the 107 years since confederation. We are in a good position vis-à-vis our competitors.

It is unforgivable that the government would be wasting its energy fighting and scrapping over who is going to get what chunk of the cream rather than concentrating on how we, as a nation, can take advantage of this opportu-

nity we have now. It is unforgivable that that should be the prime motivation of the Minister of Energy, Mines and Resources and of the Minister of Finance (Mr. Turner). Instead of scrapping about the revenue, and worrying about how much will go to the producing provinces and how much to the consuming provinces, they should work this out. They are good people, those who are involved in the other governments of Canada. They are just as fine Canadians as those who come from Toronto Rosedale.

The opportunity that now exists will not exist in perpetuity. There is a limited time frame in which we must seize this opportunity. Any sensible Canadian who thinks about it will agree that the time is ripe now to stop bickering and get on with the building of Canada.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, when introducing Bill C-32, the Minister of Energy, Mines and Resources (Mr. Macdonald) concluded by stating:

The objectives which it seeks to achieve are for the most part familiar to members as being now well-established components of an integrated national energy policy.

I challenge that statement. I believe this government in no way has shown an integrated national energy poiicy for this country.

We in the province of Ontario are particularly concerned about the government's handling of this entire question. In Ontario we need essentially two things. In energy we need security of supply. Secondly, we need a pricing of our energy that leaves us competitive, internationally, and with consumers of petroleum products in the other provinces of Canada.

In many ways the government has not suitably protected Ontario with regard to those two matters. For example, the bill we are debating this evening deals with transferring funds raised by the federal government through an export tax so that they may be used to compensate importers on the eastern side of the country. Surely we have to ask ourselves why.

Why is it necessary, in a country such as Canada which produces enough domestic oil to serve the entire nation, that we have to go through a complicated taxing and compensation plan in order to have a one oil price in the nation? It comes down to one very simple fact. While we have the domestic reserves in Canada we do not have the domestic transportation system to deliver those reserves throughout the nation. I say this because I believe the government could have put a suitable transportation system into place and averted the problem of having to deal both domestically and internationally with such a vital matter as the distribution of our available oil.

● (2020)

A year ago I remember being in the lobby watching television when our Prime Minister (Mr. Trudeau) came on and said in a firm voice that a pipeline between Sarnia and Montreal would be built. Yet there is still hesitation on the part of the government. As I say, it is time the government treated the building of a pipeline not only to Montreal but to the east as a national priority, and got on with the job.

It has been suggested by the Minister of Energy, Mines and Resources that the pipeline should be paid for by means of charges on the tariff to be borne by consumers in Ontario. I challenge this concept. What the minister is suggesting, in effect, is that the $180 million the pipeline will cost should fall on those who use it in the province of Ontario and that, in the event not one drop should go east, the entire cost would be a charge on the consumers of Ontario. We believe this is unreasonable and that the government should either work out a suitable arrangement with the interprovincial pipeline people for the building of the line, including government guarantees if necessary, or, failing that, build the pipeline itself. In this way security of supply would at least be accorded to the extent that reserves are available in Canada.

Let me touch on the minister's speech in another regard. In introducing the bill he mentioned that there is one oil price throughout Canada. I challenge this. The fact is—though I notice the hon. gentleman very cleverly glossed it over—there is not one oil price across the nation. For example in Montreal today oil costs 70 cents less than it does in Toronto. That is about 2 cents a gallon when translated into the refined product. Here again we are dealing with an aspect I find rather alarming.

The minister claims there is one price. But he does not make it clear that since transportation costs are approximately 70 cents, the price of the product in Montreal is about $6.50, and in some cases as low as $6.00, leaving a minimum differential between Toronto and Montreal of 70 cents per barrel. Translated into gross terms this means Ontario is paying more than $200 million a year more for oil than consumers in Quebec.

A pipeline must be built, and the pipeline must be reversible. A time may come when foreign crude is cheaper than oil we can produce domestically, or we may find that eastern resources will be available to people in Ontario. In either case we believe it important that a pipeline be built without delay so that Ontario may be placed in a more advantageous position.

When he appeared before the committee which was dealing with this measure, then known as Bill C-18, the minister made it clear that the price of oil in Montreal was to be $7.20. As reported at page 12:25 of the minutes of the Standing Committee on Natural Resources and Public Works, issue No. 12, for Wednesday, April 24, 1974, Dr. Ian Stewart said the base price in Montreal would rise to $7.20. I believe that when this question is dealt with in the committee the minister should be prepared to explain why the figure has risen since April of this year as contrary to the minister's declared intention with respect to the one price policy he announced last April.

Another fundamental question dealt with in this bill is that of raising revenue through an export tax on one sector of the industry and using it, at least in part, to compensate importers of oil. I believe that in committee the minister should be prepared to explain what safeguards are intended to ensure that there will not be an international rip-off here. We must bear in mind that in many cases the multi-national corporations which, on the one hand, are exporting our oil, are, on the other, involved in the importation of oil to eastern Canada.

Again in committee last April, it was revealed by one of the officials in the minister's department that approximately 90 per cent of the oil involved in Canadian imports

is oil imported into Canada by multi-national corporations which, in turn, are engaged in the production of oil in western Canada. Surely when we are dealing with hundreds of millions of dollars it behoves the government and parliament to be very sure there will not be any rip-offs in the international market at the cost of the Canadian taxpayers and the consuming public. Already there is a lot of rumour that posted international prices for oil are being undercut. It is rumoured that oil is available in some places at substantially below stated prices.

The minister must be in a position to ensure that "in between" operators are not making undue profits by gouging Canadian taxpayers and failing to give them the benefit of lower prices while, at the same time, receiving compensation at the taxpayers' expense.

There is a fundamental question here involving free enterprise and the constitutionality of what the minister proposes to do as well as what the provinces have done, and may do in the future, with respect to their natural resources. On this question I believe there is little doubt that the ownership of the oil in the ground or of other resources is vested in the provinces. I also believe there is little doubt that the provinces have complete power to legislate in respect of the oil in the ground and the royalties that they may charge. Both of those powers are clearly set out in the British North America Act. The provinces have complete power to legislate in respect of any oil rigs installations, refineries, storage tanks, pipe lines, etc. within the provinces, again by virtue of the British North America Act.

● (2030)

As the minister knows, these powers given to any province are subject to Ottawa's sanction, perhaps by having the Lieutenant Governor refuse his consent. But what is most disturbing is the fact that both the dominion authority and the provincial authorities have power to tax. For example, a province has the right to levy direct taxation within the province in order to raise revenue for provincial purposes; that is provided by section 92(2) of the British North America Act. But the parliament of Canada has exclusive jurisdiction over the raising of money by any mode or system of taxation; that is provided by section 91(3).

It is readily apparent that in this situation two legislatures are dealing with the same matter, namely, revenue earned by those who produce oil, in the case under debate, or for that matter those who produce gas or any other natural resource in Canada. Surely it is wrong for the federal government to persist in a course of confrontation. That fact is that taxation both at the provincial and at the federal level could take more than 100 per cent of the total revenue earned in the primary resource field if the two legislatures saw fit.

In this respect I would point out that we in Ontario are very familiar with a case that was heard in 1909 in our Supreme Court, confirmed in the Court of Appeal and eventually in the Privy Council, a case that dealt specifically with the power of the legislature virtually to confiscate private property. In that case, known as *Forence Mining Co., Limited* v. *Cobalt Lake Mining Co., Limited,* Mr. Justice Riddell made the position very clear when he said the following:

> In short, the Legislature within its jurisdiction can do everything that is not naturally impossible, and is restrained by no rule human or divine. If it be that the plaintiffs acquired any rights, which I am far from finding, the Legislature had the power to take them away. The prohibition, "Thou shalt not steal," has no legal force upon the sovereign body. And there would be no necessity for compensation to be given. We have no such restriction upon the power of the Legislature as is found in some States.

Clearly, then, we are in a position where, if Ottawa persists in one course with respect to taxation, and the provinces persist in another course, there could be confiscation of all the earnings of the companies involved in producing natural resources.

The reason we in Ontario are concerned about this is that we believe, as I have indicated, that the first priority we must insist upon is security of supply. Surely it behooves this government and the provincial governments in the oil producing provinces to come to an agreement on the mode of taxation so that developers and resource companies can ensure we have sufficient resources in future years to enable Ontario and the rest of the country to continue their productivity without letup.

In this respect I think it is very easy for us to deal in figures of $6.50 per barrel, or $10 per barrel, or $8 per barrel, without realizing that as one of the main consumers the province of Ontario will be done irreparable harm unless there is a satisfactory reconciliation between the oil producing provinces and the federal government. Already the effects of the recent price increases are being felt dramatically in Ontario in terms of inflation and employment. I urge the members of this House to press the government to reconcile this question quickly, and on a satisfactory basis, so there is a minimum of consternation in the coming months.

In this regard I believe that the bill should be dealt with in committee of the whole so as to give ample opportunity to all members of the House to question the minister and his officials on any aspect of the bill about which they feel concern. Perhaps in this way we can get to the facts and satisfy ourselves that in truth the federal government is making an earnest attempt to satisfy all parties. Thus the Canadian consumer—and I speak as a resident of Ontario—will suffer minimum hardship.

In conclusion, I believe insufficient discussion has been conducted between the provinces and the federal government on this issue. I believe it is wrong for the government to assume that an agreement which was originally for a period of 15 months should now be embodied in an act of parliament without further consultation with the provinces to ensure that this is their wish. We are dealing with perhaps one of the most important subjects to come before this session of parliament. I hope all members will take a deep interest in it, that the government will stop being so bull-headed and will try and work out an agreement that is mutually satisfactory both to the producing and to the consuming provinces.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, we are again debating a bill that had a trial run in the last parliament and is now before the House with the addition of some clauses. At this stage I think it is wise that we, as

a nation, take a look at our oil and gas position, and at the prospects not simply for the immediate future but for some years ahead. Perhaps this will be the last time this question can be debated in the House, unless it can be raised again when we are debating PetroCan.

It seems to me that this bill perpetuates a very comfortable, but short-sighted, situation. We are keeping our oil prices low for the next two or three years and encouraging consumption, while at the same time discouraging exploration and development of other oil and gas fields. As a result there is a movement of drilling rigs out of Canada. While the United States is increasing its exploration activity and its financing of oil and gas development, we in turn are decreasing our activity. As I say, we are encouraging consumption by keeping the price of our gas and oil below the world price.

At the same time the government is attempting to create one uniform price all across Canada. This poses great problems, and as oil and energy are interchangeable and can be replaced with electricity, coal, wood and other forms of energy, we are not allowing the market price to set priorities. Thus we will end up with abnormal strains in the industrial and financial part of our economy when we finally must reach world market levels.

● (2040)

Again this bill is a direct intervention in provincial affairs in that it attempts to wrest from the provinces the right to control their resources and sell them at the best prices available. The thrust of this bill is interesting in that it intends to pillory the western provinces in favour of central Canada. The Prime Minister (Mr. Trudeau) has carefully prepared the way by appointing to the supreme court individuals who are biased against the provinces, and particularly western Canada.

What about energy savings? At a time when the world is saving energy Canada has the enviable or disreputable distinction, whatever you would call it, of experiencing an increase in the use of gas oil in the 1970's. Contrast this with the United States which has enormous natural energy supplies which in the long run will likely be cheaper than ours.

President Ford indicated in Washington that if his voluntary energy conservation program is unsuccessful he will take stronger action. He wants to have one-million barrels a day reduction in oil imports to the United States, and has said that he will move to any other alternative, including the possibility of mandatory limitations to achieve that result. This clearly indicates what lies ahead for U.S. consumers. The public is being given a chance to find its own way to conserve energy.

Voluntary programs of this type have a poor record of success. When they are judged to be failures there will no doubt already be a reduced availability of gas at the service pump, and this will be followed by the introduction of a system of priorities in respect of access to supplies, perhaps with tax devices designed to discourage heavy consumption.

To this government and Canadians generally who are enjoying temporary easing of oil prices because of ample supplies, the United States problem may seem remote. Canadians are fond of telling themselves that, on balance, their country is self-sufficient in oil. This complacent attitude could lead to difficulty within three or four years and, unless Canadians think seriously about energy conservation, mandatory limitations such as those threatened by President Ford may have to be introduced in Canada.

The president of Shell Canada Limited has said that the production of crude oil and natural gas liquids from known reserves in Canada will begin to decline by about 1978, just four years from now. He also stated that if the demand continues to increase at its present rate Canada could become a net importer of oil before 1978. He went on to say that in the short term there is not much that can be done to increase supply.

The president of Shell also noted that the rate of growth in the demand for all types of energy in Canada increased from 4 per cent per annum in the 1950's to 5.5 per cent in the 1960's. As we become more mobile, more electrical and more automatic we become more energy inefficient. Most observers feel that in the long term, given significant development of the oil sands and of reserves in the frontier regions, Canada should be able to remain essentially self-sufficient in oil and natural gas, providing we espouse a conservative ethic now.

Conservation to many authorities means reducing the consumption of oil and gas liquids from the recent annual growth rate of 5.5 per cent to 6 per cent back to the 3.5 per cent to 4 per cent of the 1950's. This should not mean a change in the lifestyle of Canadians. Nor will it mean an absolute decline in consumption. However, when we are debating such things as an open-door policy on immigration, through which we could have a flood of immigrants who would certainly increase demand on energy resources, we must remember that this could well pose severe strains on our energy resources.

This change in lifestyle has been studied in the United States. The Ford Foundation has released the results of its $4 million energy policy project. The Mobil Oil Corporation criticized the low or zero growth recommendations contained in that report. We are now debating whether we should substitute small cars for large cars, how we should heat our houses in the winter and how we should cool them in the summer. I think it is often forgotten that one of the things that has made the lifestyle for Canadians much better in the last three decades has been the increased use of energy in heating homes and in transportation.

Transportation is the greatest area in which inefficiencies in energy use are to found. Air travel requires 10 times as much energy as buses, six times as much as trains, and four times as much as cars. Many industries could use coal instead of natural gas, yet this bill will allow natural gas to be sold indiscriminately at considerably lower than its market value.

This bill will increase the tendency for increased consumption of oil and natural gas, because those energy sources will continue to be priced below the world market. There is no valid argument against the suggestion that in a country such as this, with relative sufficiency, we can prevent unnecessary hardship to our consumers. However, there is no use burying our head in the sand, as this bill would imply, by saying there will be a gradual rise in oil prices to meet the world level. It should be made obvious

that there must be a gradual increase in oil prices to the consumer to somewhere near the world level, and we should be given details as to when this will occur.

Let me turn for a moment to what our energy possibilities are in the short run. When Premier Lougheed, the premier of Alberta, Canada's major oil producing province, after meeting with the Prime Minister stated that he was apprehensive of an energy shortage in Canada in a decade, I believe that his comments should be taken with considerable importance. Other people in the oil industry are forecasting that oil production could start to decline at the end of this decade. It has been widely quoted that on the latest data regarding performance of oil fields operating at peak levels—and this has been the case for the last one and a half years—the outlook is even more sobering.

By 1983 it is likely that Canadian production will be able to supply only Canadian areas it has served traditionally, that is, west of the Ottawa Valley. This would be of great significance in terms of Canada's balance of payments. It seems likely that by 1983 or 1984 this could account for a deficit of several billions of dollars.

It is also considered that by the latter half of the 1980's production from Canadian sources will again be more than enough to supply the traditional domestic market. It is widely considered that even if exports stop, the peak provision capacity will only be increased by three or four years. To cut off exports we would have to balance the effect on foreign exchange and on over-all foreign relations between the United States and Canada, as well as the effect on the income of producing provinces through the service industries. We would have to take into account the fact that exports generate cash for future development.

We in this country have been lulled into a feeling that the oil sands will provide unlimited supplies of cheap energy, but all indications are that this recovery of oil will be slow. One plant capable of 100,000 barrels per day capacity in the tar sands, coming on stream every two years, is considered to be all that can be expected. One oil company president has stated that it is doubtful if more than one major plant can be built in the Athabasca oil sands every two years.

A major plant now under construction is intended to start producing 125,000 barrels a day of synthetic crude in 1977. The president of that company stated that the one clear signal to the consumer that the days are over when energy supply can be taken for granted would be if we were to allow the price of petroleum and of other forms of energy to find their proper market value.

There has been a widespread feeling that oil companies have been making too much money or too high a percentage of profit. Surely it would be better to devise a means of taxing profits when prices rise, particularly if they are too high in the present situation, in order to keep the price down as a means of limiting company profits.

We are now debating whether we should extend the Montreal pipeline. In my opinion this is one move that we should not make at this time. Obviously Interprovincial Pipeline is not happy with the possibility of building that pipeline. Indeed Interprovincial seems to feel that it needs further government guarantees before it will embark on the project. Apparently the Minister of Energy, Mines and Resources has stated publicly he believes in an adjustment in the tariff for all customers along the Interprovincial pipeline from Edmonton to Toronto and Montreal, and that in the end—it would be a better way to build a pipeline with an additional capacity of 250,000 barrels a day whether or not oil is available to the pipeline. In other words, those involved in the oil industry are not really sure there will be any oil to place in the pipeline even if it should be built.

● (2050)

This extension of the line to Montreal, which market is now served by foreign crude, is central to the policy of self-sufficiency announced after the oil embargo. Montreal obtains its oil mostly from Venezuela, while the Maritimes are served by the Middle East. A capacity of 250,000 barrels a day would fall far short of the requirements to meet eastern needs.

A more important consideration is that Interprovincial clearly has doubt concerning the availability of oil for a period of 20 years. Interprovincial raises the point whether the limits on resources are now becoming clearly visible.

What about the tar sands? Shell Explorer, the Canadian subsidiary of American Shell, wants out in respect of its half of the Shell Canada tar sands development because it doubts it can achieve an acceptable rate of return for the $500 million it would have to invest. The doubt arises from the expanding government control over the petroleum industry, which emerges from different events such as the federal-provincial tax conflict and the adoption of a policy of self-sufficiency.

It might seem to those people who want Canadians to own the oil industry that here would be an excellent opportunity for Shell Explorer to sell its share to some Canadian company, but an amount of $500 million is no mean investment for Canada at this time.

There have been frequent headlines in the papers in connection with this situation. These headlines point out, for instance, that droves of drilling rigs are leaving. This emphasizes what has been happening in respect of the exploration industry. Drilling activity has been reported at 10 per cent below the 1973 level, with the sharpest reduction in Saskatchewan, at a time when it should be expanding. As well, production in Saskatchewan has gone down by 73,000 barrels a day from a year ago. Mr. J. G. Wotherspoon, Saskatchewan Deputy Minister of Mines, stated that medium crude has been priced out of the American market. It was the export tax that priced it out, Mr. Speaker.

Alberta production is down 200,000 barrels. This reduction has come about because of the disinclination of Americans to pay the export tax in total. Unfortunately it has had its heaviest effects on the types of crude that we have in the greatest quantity, the heavy oils of Alberta and Saskatchewan.

The question of the Montreal pipeline should be looked at again. Last winter the industry found it could move one-quarter million barrels a day into eastern Canada via the Panama Canal and by the Great Lakes. We might well consider this for the future. I think the security offered by this route is adequate. Indeed, instead of spending all this

money on an interprovincial pipeline the money could be spent for the development of reserves in the Alberta tar sands, and the pipeline could be proceeded with later if there should be any oil to fill it.

What are the chances of the world price of oil being reduced in the next few years? They do not seem very great, although there are a few hopeful signs around the world. In today's paper it is reported that the Shah of Iran has said he would seek a 14 per cent cutback in oil prices, but he coupled with that statement an argument that the oil companies are making too much profit. I suspect he is only trying to cloud the issue, because the substantial part of oil profits finds its way into the coffers of some governments around the world.

Officials of the British Petroleum Company in an interview in Montreal suggested that it is clear the world can produce energy from a number of sources, beginning early in the next century, at rates as prolific as those of the energy-rich years of the 1950's and 1960's, although at substantially higher prices. They went on to say that some countries such as Canada, and Britain with its North Sea oil, could be shown on paper to be able in theory to achieve self-sufficiency in respect of energy.

But it seems likely that pressures, some of them related to resource technology as well as the resources themselves, will be such that no country should really consider itself self-sufficient. Canada is part of the North American continent, and we should not attempt to isolate ourselves from the United States in respect of energy. The natural flow is north-south in the great plains of North America with regard to gas and oil.

The Minister of Energy, Mines and Resources has flatly rejected any sharing with the United States, but the Prime Minister (Mr. Trudeau) has just returned from France where, among other things, he explored the possibility of expanded trade in which Canadian oil, coal and uranium could be substantial elements. I always thought these were part of the energy package. The Prime Minister no doubt wishes to break down some of the dependence of Canada on the United States market. This is not the first time a Canadian Prime Minister has wished to do this. However, the United States generally is in a position to return a greater trade advantage than could be had from Europe.

Canada at the present time does not need access to the United States market as it did previously. There are now genuine shifts in energy sources in the U.S. This, together with control of wastage and a desire to strengthen conservation measures, all combines to restrain demand. The principal strength of the United States is its capacity to organize and focus money and expertise in a manner peculiar to it.

Although the United States is now involved with conservation it will find new sources of energy. Indeed the world must find new sources if it is to exist. Canada could be the loser if it denied itself access to United States technology.

This bill does not provide any method by which the provinces can work out their taxation problems. We are awaiting with interest what this month's budget will contain in an attempt to heal the wounds of the May 6 budget. In the May 6 budget the federal government obviously declared war on the provinces which were producing oil and gas. The disallowance in the budget of May 6 of the provincial tax or royalty as an expense effectively placed those resources under the federal government. In western Canada this caused a growing realization of alienation. It will strengthen the idea which is gaining ground in the west that the west should adopt a much more independent position in the Canadian federation. If the resource industry is to settle down, the federal and provincial governments must come to some agreement.

The petroleum industry of Canada has pointed out that at the new Alberta crude oil price of $6.50 per barrel, and under current royalty and tax rules, sufficient cash flows are available for an additional 77 cents per barrel investment in the search for new petroleum energy. The industry also points out that the May budget proposals would have taxed away an additional $1.30 per barrel from the Alberta oil industry. The industry would suffer a loss on Saskatchewan oil production. It is obvious that there is a need for re-examination by the federal government of its tax sharing policy so that Canada will be better able to generate the capacity necessary for resource development.

● (2100)

It seems that much will have to come from the reinvestment by the energy companies themselves, and this will require tax regulations which would allow for a reasonable return and, at the same time, for a contribution to over-all exploration and development. There are those who believe that governments should do the investing, but all indications are that governments tend to be inefficient and prone to overkill in their control of oil companies whose profits are proverbial. It seems to me that outright government intervention and management should not be condoned when the industry can be controlled just as well by taxation and regulation.

In closing I should like to say that this bill perpetuates a principle that is wrong in that it encourages consumption and discourages conservation, exploration and the development of new oil and gas resources in our country. In the long run this will cause serious problems.

Mr. Cyril Symes (Sault Ste Marie): Mr. Speaker I welcome the opportunity to say a few words on Bill C-32, the petroleum administration measure, which is designed to impose an export charge on crude oil and natural gas to compensate the oil companies, and to regulate the price of oil and natural gas.

Listening to the comments of some of my friends in the Conservative and Liberal Parties it seemed to me that the old adage of "play it again, Sam" it put into practice because in the last parliament, the twenty-ninth parliament, we dealt with many of the same issues in what was then Bill C-18. The problem of energy in Canada has not gone away, is still with us, and it stands as a testimonial to the failure of the Liberal and Conservative federal governments to design a national energy policy to benefit Canadians.

I think it is important that in our discussion and analysis of this bill we turn our attention to what should be the components of a national energy policy. I should like

to outline what we in the NDP believe are some of the essential elements in such a policy. First and foremost, we must come to grips with the issue of control of the petroleum industry in this country. For far too long we have welcomed with open arms, and without any real consideration of the long term implications, the multinational oil companies coming into Canada to develop our energy resources. As a result of that lack of forward looking policy in terms of what it means to Canadian control, we now find that 91 per cent of the oil industry here is foreign dominated. With respect to oil refining, foreign domination reaches 99 per cent. Is it any wonder then that there is a lack of a national policy that would benefit Canadians, and that instead the benefits are going to the multinational oil companies, most of which are based in the United States?

Let us look for a moment at what has been the policy of the multinational oil companies. First, their policy has been to export Canadian oil to the United States, and the more they can export, the higher are their profits. So it has been traditional in this country for us to get as much oil as possible out of the ground and to give it to the United States as quickly as possible. Therefore, for those oil companies the future supply of oil for Canadian needs has always been of secondary importance.

The second result of this lack of control over the industry by Canadians has meant that multinational oil companies have tried to charge the highest price possible. In other words, the cost of a barrel of oil or a gallon of gasoline is not based on the cost of production.

As the vice-president of Imperial Oil said last year in testimony before the Nova Scotia government, it is the policy of the oil companies to charge what the market will bear. When we analyse this—and the Americans have done this—we find that it costs the American oil companies, if my memory serves me correctly, about 6 cents to produce a gallon of gasoline. In other words, the idea is that the sky is the limit, and what you can get away with is perfectly all right so far as price is concerned.

The other element or trend in our energy policy here, because it is controlled by the multinationals, has been the movement toward a continental energy policy whereby Canada would continue to be the supplier of the raw material, and would ship it to the United States where it would be processed and manufactured into other products. So long as the policy continues that we must export our raw materials, of course we are exporting jobs, because where the jobs are created is where the raw materials are further processed and manufactured. Historically that has taken place outside this country.

Therefore it is the belief of the NDP that it is important to reserve this trend of the foreign domination of our oil industry, and to do that we propose a number of steps. The first is to have a national petroleum company. During the minority parliament we pressured the Liberal government as best we could to move in that direction, and indeed the minister does have a bill on the books. When you look at the bill for the creation of a national petroleum company you find that it looks pretty good on paper, but the question is: will all the powers in theory allocated to that company be in fact used?

[Mr. Symes.]

What we want to see is a national petroleum company that will enter into all phases of the industry, into the exploration, the development and the refining of petroleum products. I do not have visions of people such as the Minister of Supply and Services (Mr. Goyer) managing such a company. Obviously we would go where the expertise is, we would contract out to those with such expertise. But the point is, if we had a truly national petroleum company—

An hon. Member: How about multinational managers?

Mr. Symes: No, but we could contract out to Canadian well drilling companies, of which the hon. member from Calgary is one of the leaders. We would have a national petroleum company which, by getting involved in the oil market in Canada, could be a pace setter with regard to price, exploration and pipeline policy in this country. I think that is an essential first step.

This national petroleum company could also serve another very useful function, in view of the fact that we in eastern Canada are still dependent on imported oil. This company could buy oil directly and sell it directly to foreign governments, thus avoiding the multinationals and all the rip off in fees and profits that that entails. In other words, a national petroleum company Canadian owned and directed could strike the best deal for Canadians in terms of buying and selling oil.

● (2110)

It is very interesting to note the current world situation, Mr. Speaker. A few days ago in the Standing Committee on National Resources and Public Works, the Minister of Energy, Mines and Resources (Mr. Macdonald) admitted that in effect Canada can be blackmailed by foreign governments that have multinational head offices within their jurisdiction. We were discussing a proposed international oil agreement when this little tidbit of information came out, Mr. Speaker. This seems to me a frightful admission of a lack of Canadian sovereignty in an area vital to the survival of our economy. A national petroleum company would be the beginning of control of the industry; it would lessen and eventually end the domination and threat of blackmail by multinational oil companies.

It would be important to have a national petroleum company deal directly with foreign governments, especially oil producing governments, in light of what is taking place in the Middle East at the present time. We read in this morning's paper that the Shah of Iran is seeking a 14 per cent reduction in the posted oil price. He pointed out, however, because of our present dependence on the multinational oil companies, that there is no guarantee that the reduction would be passed on to the consumer.

Saudi Arabia has proposed a plan that would make crude oil cheaper for a national petroleum company dealing on a bilateral basis with that country and other oil producing states.

It seems to me, Mr. Speaker, that to even the most rabid capitalist the concept of a national petroleum comapny has some merit in our present situation.

An hon. Member: No way!

Mr. Symes: I hear some noes from my friends on my right, so there are still a few diehards there. They are to be commended on their principles and sincerity, but they are still living in the nineteenth century. We do not have the free market that they assume we have still.

If we are to have a national energy policy, Mr. Speaker, we can no longer allow Canada to remain at the mercy of the pricing and supply policies of the multinational oil companies. We must move toward government control and ownership, and view all forms of energy as we view electricity now—a public utility. We cannot allow wasteful private competition in the energy field.

The second essential element to a national energy policy is to ensure security of supply. At the present time in Canada we are self-sufficient in oil, but because of past Conservative and Liberal government policies we do not have an oil pipeline to eastern Canada from the western oil fields. As a result eastern Canada has to import oil and consequently the country has been caught in the tremendous inflationary spiral caused by the crude oil crisis.

We are faced with some frightening prospects in the near future, Mr. Speaker. Canada currently produces 2,003,000 barrels of crude oil per day. In Canada 1,751,000 barrels a day are consumed, and 1,206,000 barrels per day are exported. We import 949,000 barrels per day. I studied oil company figures, independent studies and National Energy Board figures. We do not have the latest report of the National Energy Board, which is a shame, and I think the minister is concerned about that as well.

The latest predictions of oil availability and demand, however, indicate that Canada will no longer be self-sufficient by 1979—only five years away. Canada's oil production is declining, yet we are still exporting oil to the United States at an incredible rate because of a lack of government intervention and because of foreign domination of the industry.

At the same time that oil production in western Canada is declining, demand is increasing rapidly. Any sane, logical person must ask why we continue to export oil when predictions are that we are running short and will have to import more expensive oil from Venezuela and the Arab states.

There are many answers, Mr. Speaker. In the past the National Energy Board consistently has been over-optimistic about future supply. It has accepted oil company figures, and it is to the advantage of the oil companies to be optimistic about supply in order to encourage exports. There is no pipeline to eastern Canada as an alternative to the demand of the United States market, and consequently the exports go to the United States. There has been consistent pressure on the Canadian government and the National Energy Board from multinational companies to commit ourselves to exporting oil.

Another reason why we do not cut back on exports to the United States is that since we have had the current world crisis and the price has gone up, the Canadian government has become dependent on revenues generated by the export tax to compensate consumers in eastern Canada in order to keep their oil price below the high world level. The policy of continuing to export under these circumstances is self-defeating as we run short of domestic oil. Exports will decline, export tax revenues will decline, and meanwhile the demand for imported oil in eastern Canada will continue to increase. Where is the money to come from to compensate the oil companies and to keep the Canadian price lower than the world price?

The government has two options, Mr. Speaker. First, in the years ahead it can compensate the oil companies from general tax revenues. That means each and every Canadian will have to pay more in taxes in order to have a lower price in Canada than the world price. Or secondly, the government will have to let the price of oil in Canada rise to world levels.

The implications are astounding in terms of what that would do to inflation in this country. Every day our constituents complain about increases in the cost of food, clothing and other essential items, but if we were to let the price of Canadian oil rise to world levels they would see what inflation really means. Energy is the essential component to our total economy; if energy costs go up so do costs in every other area.

When we look at demand and production in this country, the future is not promising. In 1979 we will lose our self-sufficiency. In effect, we will be in a deficit position of 101,000 barrels per day, and by 1984—a year that has some other connotations—we will be in a deficit position of 970,000 barrels per day, and will have to import oil from the Arab states and Venezuela at a higher price.

Given this evidence, that we are losing production in the west and demand is going up, it seems to me imperative to begin to reduce substantially exports to the United States. The minister says the government is considering this, and that it may be a possibility. He is admitting that it may be in Canada's interest to cut back somewhat our oil exports.

● (2120)

I remind the House that the Standing Committee on National Resources and Public Works has another item before it. It is called an international oil agreement, and is an agreement between 11 consuming countries, of which Canada is to be a member. This international oil agreement is a 10 year treaty. It is important to note that in this treaty the United States has a voting mandate of 53 votes and Canada only has a voting mandate of nine votes.

Under the terms of this treaty, which the Canadian government seems ready to ratify, if an international oil emergency develops, that is, if there is a shortage in any of the 11 importing countries, Canada is then committed to continue exporting oil to the United States at its current rate of export.

The implications of this agreement are indeed serious if we are determined to cut back our oil exports to the United States. If we get into an emergency situation, Canada will lose control of cutting back exports to the United States. Conceivably, Canadians would have to undergo cutbacks and rationing to serve the U.S. market. We need to take a closer look at this proposed international oil agreement. I looks like the beginning of a continental oil policy.

In terms of security of supply, in addition to cutting back exports to the United States it is essential that we begin to build an all-Canadian pipeline to eastern Canada.

This pipeline should go from Manitoba through northern Ontario to Montreal and the maritimes. I advocated this on many occasions in the last parliament. The answer the minister gave me on why we could not build an all Canadian line was that it would take a year extra to complete over the proposed Sarnia-Montreal pipeline. We now have delays in the Sarnia-Montreal pipeline to the point that these delays equal the one year extra it would have taken to build an all Canadian route.

I also argued with the minister in the last parliament about the value of a Sarnia-Montreal pipeline as opposed to extending the existing pipeline from Toronto to Montreal. The minister argued we needed the Sarnia pipeline because it could carry 500,000 barrels a day. Now that pipeline is supposed to carry only 300,000 barrels a day, and Interprovincial is not even sure it can handle that. With an all Canadian pipeline, we would have the opportunity to open up a petrochemical industry in northern Ontario. More important, we would have a means of getting cheaper western Canadian oil to our eastern market, and we would be secure in knowing that it traversed only through Canadian territory. This again raises the issue of security.

I am astounded to realize that the Canadian government is now negotiating with the United States about the security of supply through pipelines. I always assumed we had a treaty with the United States guaranteeing security of supply for the pipeline that leaves western Canada via Alberta and Manitoba, goes to Chicago, and links up with Sarnia again. There is also a pipeline from Portland, Maine, to Montreal.

The Minister of Energy, Mines and Resources now tells us we are negotiating with the United States for guaranteed security. Meanwhile, what do the Americans want? They want an oil pipeline and gas pipeline through the Mackenzie Valley. The implications are serious.

Our pipelines going through American territory are not secure. The Americans are in a tremendous bargaining position to argue they should have a pipeline down the Mackenzie. It really amounts to blackmail. An all Canadian route would certainly avoid that difficulty.

If we are to have guaranteed future supply we must begin to develop the Athabasca oil sands. We must do this on a concerted and energetic basis. In the last parliament the minister repeatedly said the Athabasca oil sands were the great salvation of Canada. It was a secure supply. We had to develop the plants, get them on stream and into production because of the time lag involved. I do not hear the minister touting the Athabasca oil sands as the great salvation any longer. It is important that we understand why there is this sudden silence.

Here is a golden opportunity for Canada to move toward self sufficiency. We have an opportunity at this time due to the fact that in one of the proposed developments of the oil sands one of the private multinational companies is pulling out. Here is an excellent change for a government national petroleum company to step in as one of the partners to develop the oil sands under Canadian terms, for the benefit of Canadians and not for the export markets in the United States.

[Mr. Symes.]

In the last parliament we asked for a 50/50 split of the export tax between the provinces and the federal government so that the provinces could have extra revenue to help develop, along with the federal government, energy projects such as the oil sands. This was not accepted. Under the current export tax there is a surplus of some $200 million this year. I wonder what the federal government will do with that surplus. Is it going to turn it back into energy development? It is important that we have answers to these questions.

Another way we can begin to move toward ensuring a supply of oil for future Canadians is for the Minister of Energy, Mines and Resources seriously to advocate to Canadians the value of conservation of energy. I do not mean turning out the lights around Parliament Hill. We have to get Canadians to think conservation because, as I said, we are moving toward a lack of self-sufficiency within five years time.

It is interesting to note that the growth in demand for energy in Canada during the 1950's was 4 per cent per annum. By the 60's, the demand had grown to 5.5 per cent. Canadians consume energy at a rate five times higher than the world average.

This government has a responsibility to initiate energy saving policies in areas such as higher insulation standards for new homes. We need to encourage mass transit via bus and train. In terms of passenger miles, planes require 10 times as much fuel as buses, six times as much fuel as trains, and four times as much fuel as cars. Yet the Minister of Transport (Mr. Marchand) is going full speed ahead with STOL, the short takeoff and landing aircraft. He should be putting more money into mass transit via train and bus.

To promote conservation the federal government should be urging the provinces to reduce highway speed limits to 50 miles an hour. A car uses between 15 and 25 per cent more gasoline at 70 miles an hour than at 50.

If the minister had the courage to urge Canadians to turn down their thermostats four degrees, we would save the equivalent of 900 million gallons of fuel oil a year, about 10 per cent of the energy used in heating. We should also begin to phase out the use of natural gas to produce electricity because it is so inefficient when used that way. Further we should discourage the use of electricity to heat homes because more energy is expended in producing electricity than is warranted when we consider the ratio of electricity needed to heat homes. Those are some positive steps the government could take to move toward a position of security in future oil supplies.

A third element of a national energy policy surely must be a pricing policy to benefit Canadians. In the last parliament, and even before, the New Democratic Party advocated a two-price system in oil. That is to say, Canadians would pay a lower price than the world price, and we would export our oil at the higher world price. As a result of that policy which was accepted in the last parliament, Canadians save approximately $5.20 a barrel for crude oil. However, we still got caught in an increase of sorts because the price of oil to the Canadian consumer had to go up in eastern Canada because there was no pipeline from the west. We had to import foreign oil.

To keep the price down to consumers the government said it would absorb the difference in price between what people were paying in eastern Canada, the world price, and what people were paying in western Canada, the Canadian price. The money would in turn be given to companies operating in eastern Canada to keep the price down.

• (2130)

To date the government has given some $900 million to the oil companies in compensation payments. I maintain this is a rip-off of the Canadian consumer when we consider what company profits have amounted to this year. It seems to me, in the light of these profits, that the companies could well afford to absorb a greater share of the increased cost of the oil imported into eastern Canada.

Let me give the House a few examples of oil company profits. The after tax profits of Gulf Oil in 1972 amounted to $64.2 million. In 1973 profits rose to $101.7 million, an increase of 58 per cent. In 1972 the profits of Imperial Oil amounted to $157 million. By 1973 they had risen to $228 million, an increase of 45 per cent.

Mr. Andre: That is a return on capital investment.

Mr. Symes: Moreover, for nine months since 1973, Imperial Oil profits have shown a further increase of 64 per cent. The figures for Shell this year are equally remarkable. In 1973 Shell showed a profit of $60 million; in 1974 the figure is $119.5 million, an increase of almost 100 per cent. Yet we are giving $900 million a year to these oil companies!

Even more striking than figures I have just quoted are some figures here which, so far, have not been brought out in this debate. They show the profits of these companies as a percentage of revenue. With respect to Gulf Oil, profit as a percentage of revenue in 1969 was 6.8 per cent. By 1973 the figure had risen to 9.6 per cent. For Imperial Oil in 1969 the figure was 6.2 per cent; in 1973 it was 8.6 per cent. This means that despite the export tax, despite the corporate income tax, our tax system is still allowing the oil companies to keep a larger proportion of their revenue. I argue that the oil companies cannot plead that they lack funds for exploration. They are very healthy indeed, healthy enough, in my opinion, to absorb some of the higher costs of imported crude.

In conclusion may I repeat that Canada is approaching an energy shortage which will become evident in four or five years. A serious crisis is coming and we, as members of parliament, must bear the responsibility to act in a meaningful, constructive and responsible way to meet this crisis. We must develop a national energy policy embodying public control to achieve three things: Canadian control of the oil industry, security of supply, and fair prices for Canadians along the lines I and my party have suggested.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Thank you, Mr. Speaker. I had not intended to take part in this debate.

Some hon. Members: Oh, come on!

Mr. Cullen: The bill is a good one and I think it is necessary. As the last speaker mentioned, we have been over this ground again and again. I sometimes wonder, though, whether members of the opposition have ever taken time to read the bill and, if so, whether they have come to any conclusions about it.

Perhaps it would be useful if I were to remind hon. members that it concerns a charge levied on the export of crude oil and certain petroleum products to provide compensation for certain petroleum costs, and to regulate the price of Canadian crude and natural gas in interprovincial and export trade.

I have been waiting to hear from hon. members opposite either support for this proposition or opposition to it. Instead, I hear the hon. member for Dauphin (Mr. Ritchie) telling us there is no point, now, in building the pipeline from Sarnia to Montreal. Five minutes later the hon. member for York-Simcoe (Mr. Stevens) tells us that not only should it be built but that it should be reversible so that should the price of offshore crude go down, or supplies be found off the east coast, we might be in a good position to take advantage of these circumstances. So, we hear two differing points of view.

From the New Democratic Party we hear speakers hashing over the idea of an all Canadian pipeline to meet an emergency situation. Is it any wonder that the government must show leadership and bring forward a bill which speaks, not for Alberta or for Ontario, but for Canada? I listened to the hon. member for Calgary Centre (Mr. Andre), and I listened to the usual harangue by the hon. member for Calgary South (Mr. Bawden) that royalties should be allowed as an expense of doing business. However, neither of them indicated what amount of royalty they thought was reasonable.

When the price was frozen at $4.00 a barrel, the provinces and the federal government got together and arrived at a figure of $6.50 a barrel which was felt to be in the common interest of Canada. It was a little less than Alberta wanted for its crude, and it was a little more than Ontario wanted to pay, but it was a compromise worked out to deal with the situation. What was the reaction of the provinces? Saskatchewan felt that the oil companies did not need the extra money and decided to take the whole of the $2.50 increase. Alberta, if I am not mistaken, took between 65 and 70 per cent.

The Prime Minister (Mr. Trudeau) indicated prior to his meetings with the Premiers of the western provinces that they should not try to take all of that increase and call it a royalty, and that if they did it would not be allowed as an expense of doing business. This was a reasonable position for the Prime Minister to take. He stated it early on so that the provinces would be aware of the federal government's position. Fortunately we had the strength to maintain that position, and when the producing provinces took the action they did, the federal government had no alternative but to say that it is not a royalty, that this is a total intrusion into another tax field, and it is not a legitimate royalty to be allowed as an expense of doing business.

• (2140)

Negotiations now have to take place to determine what, in effect, is a reasonable royalty. I make no secret of the

fact—indeed, I spoke about this publicly during the campaign—that the oil companies should be allowed a reasonable royalty as an expense of doing business. Whether or not such a compromise can be worked out I do not know, but at this point in time to suggest that $2.50 of an increase, or 65 or 70 per cent, should be the royalty, is begging the question. That is why the federal government took the action it had to take.

Once again we have the selective memory of the opposition parties when they say the government has been lacking in leadership. I suggest they are really choking on that particular expression. They tend to forget that the price of oil per barrel in the world was quadrupled and, as a result, we had to meet an emergency situation. We did this in several ways. We did it by delivering the oil in a way which the hon. member for Dauphin (Mr. Ritchie) said was so successful that he wanted it adopted as a permanent way of moving oil from the west to the east, namely, by ship, train and any other way. So that operation must have been comparatively successful, Mr. Speaker.

The position of the federal government is that we want a one-price system for oil in Canada, give or take a few cents to allow for transportation costs. Is the opposition suggesting that this is inappropriate? If it is, then hon. members opposite should stand up and say so. It seems to us that having a two-price system is a good move. We should have one price across Canada within the limits that I have indicated, and then impose an export tax, which is a legitimate tax, on oil we ship outside. This money would not be used to fill the government's coffers.

There is a surplus of $200 million now, but I have not heard any member say how that money should be spent. They view it with suspicion, and wonder what the federal government is going to do with it. Surely these members have an obligation either to say they approve or they disapprove on the second reading of this bill, which is approval in principle.

Then I hear opposition members harping on the fact that the minister suggested that one option open on the Montreal-Sarnia pipe line was that, in order to pay for the capital cost of the line, a flow through charge should be made to users. With respect, that is one option that must be considered. Another option is that Interprovincial Pipe Line go ahead and build the pipe line as they were going to in the first place. Another is that they get a guarantee of a flow through charge, with the federal government picking up any shortfall in amount. Yet another option is that the federal government build the pipe line, or that the federal government build the pipe line and sell it back to Interprovincial. There is a whole series of options which surely must be examined.

Much has been made of the fact that we were confronted with an emergency situation, yet construction of the pipe line has been delayed. It has been held up because the National Energy Board saw its responsibility. It knew this was an emergency situation, and it also knew that there was apprehension in the province of Quebec about environmental damage. So the board told Interprovincial Pipe Line to find another route, that it did not feel it could approve the present route. As I say, the National Energy Board saw its responsibility and had the courage and good sense to do what it did. Surely it has a responsibility to tell provincial pipe line companies where to build their pipe lines so there is as little impact on the environment as possible.

I suggest to the hon. member for Calgary Centre that the most ridiculous suggestion I have heard tonight in this debate is that we should withdraw clause 36. Somewhere down the line the federal government has to take its responsibility. It is endeavouring to negotiate, for the people of Saskatchewan and Alberta, a price for their oil. If this cannot be negotiated, would not the opposition be justified in saying to the government that it has reached the stage where it cannot come to any kind of settlement, so why not introduce legislation to set the price?

This bill does not set a price unilaterally. There are all kinds of opportunities, both for the consuming and the producing provinces, to negotiate a reasonable price. But if this cannot be done surely the federal government must take its responsibility.

Mr. Baldwin: That is price control. I thought you were against that.

Mr. Cullen: One thing we would have liked to control was the amount of money the Conservatives wasted in the last election, but we could not do that.

I have indicated my support for the bill, Mr. Speaker. I think we are rehashing a lot of debate that we have already had. Questions have been asked tonight about what is going to happen to the $200 million, and I think these questions can be answered in the committee. Perhaps we will even get some suggestions from the opposition about what we should do with the money. What portion of the price of a barrel of oil should the oil company get, what portion should the producing province get, and what portion should the federal government get? We have not heard any suggestions in this regard from the opposition parties.

Mr. Baldwin: There is lots of time; we have another week to go yet.

Mr. Cullen: I hear what the hon. member says from his seat, but since he is not participating in the debate I will take that for what it is worth. In my view this bill should go to the committee, receive careful scrutiny and then pass. To suggest that clause 36 should be eliminated, thus depriving the federal government of its leadership role, is an inappropriate suggestion for any federal parliamentarian.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, the Minister of Energy, Mines and Resources (Mr. Macdonald) has given us a studious commentary on Bill C-32. The areas of this bill with which I agree are already clearly on the record, and they have been placed there by other members of my party. Similarly, other members of my party have clearly defined their areas of stern disapproval. Those areas of disapproval were voiced a moment ago by the previous member who was quick to praise clause 36, to which I should like to come in due course.

Let me for a moment, however, examine the closing statements of the Minister of Energy, Mines and Resources. He stated that the objectives which the bill seeks to achieve are, for the most part, familiar to mem-

bers as being now well established components of an integrated national energy policy. That is an interesting statement in itself. It is very cleverly worded. You cannot really tell whether the statement means "we had an energy policy", "we have an energy policy", or "we will have an energy policy".

The question of energy policy is a very interesting one and was the subject of much remark in 1972. In fact I can remember Doug Stewart, the former member for Okanagan Kootenay, speaking about the lack of a Liberal energy policy at that time. I wonder if that is why he decided to retire. In any event the stand of the leader of my party on an energy policy was very clear in 1972: he expressed the need for the development of an energy policy, a policy that did not exist at that time, and which really does not exist today.

Let us look twice or three times at this statement, and let us look at it for what it says, not for what it purports to say. Purporting to speak of energy as oil and gas, and only oil and gas, what it really talks about, in my view, is all sources of energy, be they oil and gas, thermo nuclear, water and its hydro electric end result, or coal and coke fired steam generators. These last two, coal and coke, as well as hydro electric energy, are of considerable interest to me and of concern to my constituents. They are also of concern to the people of the riding of Okanagan Boundary. I mention that riding because of the massive coal deposits which exist in Fernie and the Crowsnest area.

● (2150)

Why are the people of Kootenay West concerned? I do not think there are many senior members in this House, along with the people of my riding, who will have forgotten the Columbia River sellout, the Kootenay Canal with which we are now faced, the Kootenay dams, the Libby Dam with which we have been cursed, and the massive effect on the environment at Kootenay Lake and the Pend d'Orielle River. What is the reaction of the people in my riding to that of playing waterboy to the North American continent? I think it is viewed as a threat to the people that they will be blessed with another damned dam. They have had dams up to their necks.

What are these people doing about the situation? Let us look at the record of B.C. hydro and its proposal to put a dam on the Pend d'Orielle River. The people of Trail and Fruitvale and the surrounding area were sufficiently sensible to do their homework, and they succeeded in bringing that project to a halt until proper studies had been completed on the environmental, hydro electric needs, the end results and so on. I can assure you that the concerns of the people will still be directed in that way, whether it involves hydro electricity or coal.

When the minister addresses himself to a national energy policy I frankly do not know whether he speaks of an oil and gas policy or a truly national energy policy, and I am not sure what are the parameters of such a policy. I do not think anyone knows, except perhaps the minister.

This bill we have before us does not in fact speak for Canada but speaks for an arrogant, self-centred and dictatorial administration. For the record let me again quote from Section 109 of the British North America Act. It states:

Oil and Petroleum

All lands, mines, minerals, and royalties belonging to the several Provinces of Canada, Nova Scotia and New Brunswick at the Union, and all sums then due or payable for such lands, mines, minerals, or royalties, shall belong to the several Provinces of Ontario, Quebec, Nova Scotia, and New Brunswick in which the same are situated or arise—

As the last speaker said, it is true that they were dealing at that time with a time frame far removed from the present, but that does not remove the responsibility on the part of the government to sit down with the provincial first ministers and do some real hard heart to heart talking. That does not preclude the necessity of some real hard bargaining. It is not good enough to say that a particular first minister will not agree. This all requires further dialogue rather than that type of confrontation.

What are the first ministers' responses now, and what will they do in future as our national policy expands so that we get into considerations of hydro electric generation, coal and thermo nuclear generation? These things are all covered under the general term energy, and this will affect all the provinces. The federal government will be involved, but the question is how, and under what terms?

Clause 36 of this bill is one that I think will give the first ministers of the provinces a future migraine headache. This bill represents a major precedent to the next step. I suggest that the next step, apart from laying the groundwork for policy in areas of energy source, will also lay the groundwork for the Minister of Finance (Mr. Turner) when he entertains the government and the people with his forthcoming budget address. What will he do? The odds are that he will also move into the energy and natural resource fields with future taxation which will bring into effect, again by direct confrontation with the provinces of British Columbia, Alberta and Saskatchewan, the whole question of resource taxation. I suggest the groundwork for that taxation is right here in this energy bill.

One might ask why I should be concerned about this and why the people of my riding should be concerned. I am concerned because of the vast resource of minerals in the riding of Kootenay West and the riding of Okanagan Kootenay, and because of the massive taxation that has already been introduced by a shortsighted provincial government. Reference has been made during the debate on this bill to a passage by Mr. Laskin. I think it deserves repeating at this time:

The respective taxing powers of dominion and provinces may not be used by either of them to sterilize powers conferred by the other upon its functionaries or substantially to impair their status.

My concern is not with the finer technical points or the major economic points to which experienced gentlemen have referred. My concerns are the concerns of the people of my riding whom I represent. May I call it ten o'clock, Mr. Speaker.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

URBAN AFFAIRS—REQUEST FOR STATEMENT OF GOVERNMENT POLICY IN RESPECT OF GREEN SPACES IN CITIES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, on October 7 I directed a question to the Minister of State for Urban Affairs (Mr. Danson) regarding something which had arisen on a television program, namely, a theory he advanced in the course of "Question Period", that the government certainly would have to consider the adoption of a trade-off in respect of green spaces in Canadian cities.

At that time this indicated that the minister was at least considering the intrusion of development into green spaces. Subsequently the minister, in the course of his answer, indicated that at least in so far as the two places I had mentioned in the National Capital Area, namely, the Experimental Farm and the Ottawa green belt, he regarded these as areas of special sensitivity, and shared my view and the view of many other members of the House in respect of the necessity to preserve them.

● (2200)

I want to say that where we are dealing with the National Capital Area, which is certainly an area of special sensitivity, or with any other urban area in this country, we must regard, and government policy must look at green space in urban areas as a very precious commodity. It is becoming more precious each day as there is a tendency in our society, and in the planning of our society, to pack more and more people on to fewer and fewer acres of land.

Municipal development is becoming vertical rather than horizontal. Indeed we must consider the impact that this type of development will have on open space, a particularly agricultural land. The green belt and the Experimental Farm in the National Capital Area are precious for the reasons I have mentioned.

I do not want the minister or the government to feel that I regard those areas as sterile, or believe that they ought to remain dormant or fallow. I feel, however, that there are certain institutional uses to which these lands could be put.

I want to make clear that we regard the trade-off in respect of the Experimental Farm, the green belt or any other area in an urban part of Canada as a principle we would have to approach with great caution in order to ensure that there is open space available. There really is no open or green space available to those who live in high-rise housing, row housing, in condominiums, or in densely populated areas. That green and open space which normally is provided by one's backyard, or by the neighbourhood park, must be provided in those urban areas by

[Mr. Brisco.]

green belt areas such as the Experimental Farm, or by other areas in other cities.

This matter is of great concern not only to the National Capital Area but to other areas. I hope the parliamentary secretary tonight will give us some assurance in respect of the policy of the government on the matter of green space in urban areas.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to the Minister of State for Urban Affairs): Mr. Speaker, I want to assure the hon. member that the National Capital Commission is fully aware of the matter which he has raised, namely that we must preserve the green spaces of this area.

I can assure the hon. member that there is no question of replacing the green spaces already existing in the national capital region with buildings. On the contrary, proposals are presently under study in order to link these green spaces together and to have them penetrate further into the urban area, so that they are not isolated and remote. This approach might require an increase, and certainly not a decrease of green spaces and an adjustment of the limits of the spaces already existing.

As I said, some adjustments might be necessary at certain times, which means that parts of existing open spaces could be traded against new ones in order to achieve a better integration. But I can tell the hon. member that both quantitatively and qualitatively, green spaces are going to increase in the capital region.

I also wish to remind the hon. member that the NCC will very soon make public its planning concept for the whole region. This document, along with the proposals it will contain, will be studied by a joint special committee of the Senate and the House of Commons and of course members will have the opportunity to express their views. The long-term preservation of these resources must be ensured, and at the same time the public must have access to them, without spoiling or wasting them. The achievement of this objective implies the cohabitation of certain urban and rural environments. A typical example of this is, of course, the Experimental Farm in the centre of the city of Ottawa.

HOUSING—SUGGESTED MEASURES BY CENTRAL MORTGAGE AND HOUSING CORPORATION TO CONTROL IRREGULARITIES BY OTHER AGENCIES

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, last Friday I directed a question to the Minister of State for Urban Affairs on a very important problem in my constituency, namely real estate speculation and speculation activities on the part of provincial companies, that have led me to believe during the last few months that such behaviour left much to be desired. For the sake of my electorate, I sent letters and I followed the matter very closely. I have come to the conclusion that the Central Mortgage and Housing Corporation is not watching its expenditures closely enough whenever it guarantees or grants loans to provinces, which then use the money for public housing.

What prompted me, Mr. Speaker, to examine thoroughly the whole matter of public housing in my constituency of Ottawa-Vanier is that certain transactions show either a lack of qualification or of interest on the part of certain public servants whenever public interest and especially consumers' protection are concerned. I know that in the province of Ontario, proceedings are being instituted with the Ontario Housing Corporation and members will recall that I quoted the article from last Thursday's edition of *Le Droit*, saying that 15 officials have been indicted for receiving bribes and for collusion with contractors. According to that article, 9 other persons in the Ottawa or London area are likely to be indicted very soon.

When real estate speculation is practiced to the detriment of the interest of the community and in some collusion with provincial agencies, I think that speculation is unacceptable, and smacks more of theft than business. Indeed, that is exactly what is happening in my riding. That was the purpose of the question I put to the minister regarding certain transactions that benefited certain contractors. They made profits of about 155 per cent in an eight-month period. I have here a copy of the land register for a sale of $105,000 which, eight months later, increased to $273,000 for a piece of land on which a high rise for senior citizens was to be built.

I also know that the City of Vanier can buy land in my riding. In that city of one square mile land sells for $5 a square foot. I also know that the Ontario Housing Corporation pays $10 a square foot. I noted several cases of profiteering in my opinion and I asked the mayors of both municipalities of Ottawa and Vanier as well as the Central Mortgage and Housing Corporation and the Ontario Housing Corporation for a list of real estate transactions made in the last three years.

● (2210)

I did that because the experience I gained as a school trustee gave me a certain knowledge of the price of land in my riding. At that time I did learn of lots which were bought by certain contractors at a price which, personally, I find quite scandalous.

I remember, in particular, a piece of land located not too far from the Cartier school, a composite school, which was for sale for some $35,000 and that the school board has refused to buy because they said it was too expensive; it was sold and sold again to someone else and finally, within eight months, it went for $273,000. That is the kind of speculation that makes me think that it is not only there that funny things are happening.

And what annoys me is that the Central Housing and Mortgage Corporation, the lender, is not necessarily an accomplice but controls are lacking; that is why I asked the minister here if he uses his powers of control over real estate expenditures made by the housing corporations and I am not under the impression that this is presently done in a routine way. I am under the strong impression, though, that as with all federal-provincial agreements, the federal government is paying the piper and the province is playing the tune.

However, in my riding, as in several others in Canada, there is now a housing crisis. I find the situation is tragic because, speaking in quantities, if land is bought for twice what it is worth and high-rise buildings are built where they have no business being built, only half of the housing will be produced.

And if the reasoning is simplistic, I think that money being what it is today, expensive and hard to come by, the Central Mortgage and Housing Corporation should proceed with all the necessary caution and see to it that it can control its expenditures.

Within the shortest delay, federal government supervision over the use of funds made available to the provinces must be made more strict. The federal government must act to protect the common good rather than to favour all-out business. And to complete my question, Mr. Speaker, I would like to ask the parliamentary secretary to the minister if he can give me the assurance that account will be taken of my remarks by the Central Mortgage and Housing Corporation. If you wish it, I can give further proof in support of my allegations.

Mr. Pierre De Bané (Parliamentary Secretary to the Minister of State for Urban Affairs): Mr. Speaker, I can assure the hon. member that the Central Mortgage and Housing Corporation and the Minister of State for Urban Affairs (Mr. Danson) will be extremely interested by this information.

However, I would like to remind him that since 1968, Ontario, through the Ontario Housing Corporation completed its low rental housing projects under the National Housing Act with the help of federal government loans. Consequently, the Central Mortgage and Housing Corporation acts as a lender in its capacity of federal agency concerned. Previously, the federal and provincial governments were associated in these projects which were financed under another section of the National Housing Act.

According to the provision concerning loans (section 43 of the National Housing Act), the Ontario Housing Corporation is responsible for the planning of projects, for land banking and calls for tender or proposals.

As a lender, the Central Mortgage and Housing Corporation reviews on an individual basis applications for loans relating to those projects in order to ensure that they meet the criteria as well as the standards of programs.

As far as the land is concerned, the loan application made by the Ontario Housing Corporation in respect of every project indicates how much it has to pay for the land as well as the name of the seller. The application also includes an estimate of the land value made by an independent assessor. As part of its study, the Central Mortgage and Housing Corporation requests from its assessors an estimate of the value of the land to determine the amount of the loan. Therefore, in addition to the amount paid by the Ontario Housing Corporation, the Central Mortgage and Housing Corporation makes its own estimate in order to determine the amount of the federal government's loan. That amount is based partly on the value of the land as determined by the assessor, and not only on the amount paid by the Ontario Housing Corporation.

Under those circumstances, the Central Mortgage and Housing Corporation has neither any reason nor any opportunity to learn the details of the transactions that have

been carried out in respect of the land chosen for a project of the Ontario Housing Corporation.

However, no one of course is perfect, everyone may be misinformed, and as I said at the beginning of my remarks, the hon. member can be assured that if he will submit us some information concerning the pieces of land acquired by the Ontario Housing Corporation which in his opinion might justify further enquiry, I have no doubt that the minister would like the hon. member to impart the Central Mortgage and Housing Corporation with that information.

[*English*]

PUBLIC SERVICE—APPOINTMENT OF MICHAEL PITFIELD—POSSIBLE CHANGE IN CRITERIA FOR MAKING APPOINTMENTS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, on October 8 I raised a question with the Prime Minister (Mr. Trudeau). I asked if he would make a statement on motions outlining the principles which were now to be followed for appointments to the senior public service. I drew particular reference to Mr. Michael Pitfield, and asked the Prime Minister to indicate whether that appointment suggested a replacement of the merit system by the buddy system.

The Prime Minister ducked that question, and instead attacked my right as a member of parliament to ask about the appointment and credentials of an official who now has more influence than most members of cabinet, and whose only unusual qualification for that office appears to be his personal friendship with the Prime Minister.

The Prime Minister indicated that an appointment at that level was at the discretion of the government. Of course it is, but it is the duty of this parliament and the members here to question the judgment that is used in exercising that discretion. That is a matter of concern not only to this House, but to people outside, including the Ottawa *Journal*, which wrote shortly afterwards, and I quote:

> Prime Minister Trudeau ... has shown remarkably bad judgment in choosing an intimate friend for a position so exquisitively sensitive. ... A Prime Minister needs to have friends and advisers around him whom he can trust completely, who will give him their first call on their loyalty. But the place for them is on his own staff, not in the public service.

That appointment started a precedent. It is inevitable that when the present Prime Minister leaves, so will Mr. Pitfield. Some other favourite of some other Prime Minister will come in. The senior job in the Canadian Public Service has, by this one act, been made a partisan political position. That act has changed our system of government and, in one stroke, threatened the political independence of the Canadian public service.

Mr. Pitfield's appointment is the most celebrated case, but it is not an isolated instance. That is the matter which is of grave concern to this House. His appointment is part of a pattern of moving political friends into a public service which can be respected and effective only so long as it is free from the suspicion of partisanship. Not only in this last month have we had the appointment of Mr. Pitfield to his high position, we have also had the appointment of Mr. Jim Davey, late of the Prime Minister's office and late of the Minister of Transport's office, to a senior public service position in the Department of Transport. We have seen the Hon. Paul Martin dispatched as High Commissioner to Great Britain. These people now enter the public service to join others like Timothy Porteous, Edgar Benson, Mike McCabe, Paul Gérin-Lajoie, and who knows how many others.

It is known to this House and accepted that for some time there has been a provision allowing the shifting into the public service of people who have served, in the senior executive capacity, political ministers and others. Because of the salary level at which these people shift, they inevitably go into the public service in a policy position.

I placed a question on the order paper to find out how many of these people there are in the public service and what areas of policy they influence. I did this because I think it is highly important to the system.

The practice poses three critical threats to our system. First, it destroys the balance which is so essential between the elected politicians and the appointed public servants. At the same time it threatens and jeopardizes the long range independence of the Canadian public service.

● (2220)

The second threat arises because it undermines morale in the service itself. It removes the incentive to excel. Indeed, it fosters an incentive simply to please one's master because excellence is no longer the standard which determines promotion; it is friendship which is now becoming the standard by which promotion is achieved.

The third threat is that it narrows the basis of advice on which national decisions are made. This is a diverse country, and the government should reflect that diversity. But it will not do so if the public service is to be formed in the image of a partisan prime minister.

I asked the Prime Minister to tell us the guidelines to be followed in making that kind of appointment. He has given us no guidelines. I also put a private member's notice of motion on the order paper in an effort to ensure parliamentary scrutiny of the growing powers of the office of the Prime Minister, which appear to be at the root of the problem we face today. What we must consider is not just a question of Mr. Pitfield's credentials; he is obviously a brilliant person, an able man. Nor is it a question of stopping patronage, which has been going on for ever and ever.

The Prime Minister, by this action, by this pattern he has established, is changing the very nature of the Canadian public service and the very nature of our system of government. He is bypassing merit, undermining morale, compromising an essential independence, and eroding the protection of regions or groups whose interests are not represented by the political government of the day. It is regrettable that the Prime Minister should have indicated, in putting aside this question, that he wants no attention paid to the process that is taking place. It is not too much to say that he is achieving by stealth changes of more significance and more permanence in our system than a change of government could bring about.

I believe this is an urgent question for the House to consider both in relation to appointments to senior levels of the public service and to the growing power of the

Prime Minister, and I hope the answer from the parliamentary secretary will allow us at least to begin the process of examining the way in which our system is being changed.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to the Minister of State for Urban Affairs): Mr. Speaker, that is certainly one of the shabbiest attacks I have had the opportunity to witness since I have been here in this House.

The hon. member who must certainly have at least one ounce of honesty, recognized that Mr. Michael Pitfield is, and I quote, "able and brilliant". Then what is he blaming Michael Pitfield for? I think he did not have the chance I had to work with Mr. Pitfield. For several months, I worked with him when he was deputy minister of Consumer and Corporate Affairs. May I say to the hon. member that I seldom met a man so much sensible to the performance of his duties, to the opinion of members of parliament and to the wishes of his minister and who did his duty in a way which, I believe, enhanced the prestige of his position. May I remind him that before leaving that position he had been Planning Director of the Prime Minister's Office. He has served as public servant for many years and I think it is utmost shabby to attack in such a contemptible way one of the most competent officials in the Public Service.

Does the hon. member mean that he is a supporter of the so-called in-breeding—it is done in External Affairs—and that public servants should be hired at 25 years of age after university graduation. I feel that it is quite retrograde. He only has to consider private enterprise. Every day, people outside are sought to bring in some fresh blood.

If I had to give my own view, I would say to him that it is unfortunate that it is not done more often in Ottawa. The establishment, and many studies have been made on that issue, exerts too much influence and one of the reasons is that there are not enough competent people from outside coming into public service at higher levels.

Even if the hon. member continues to tarnish the reputations of individuals such as the above-mentioned, without questioning their competence, let him do so! Does the hon. member suggest that the Hon. Paul Martin will not ably discharge his duties? If he thinks so, let him say it frankly. If he thinks that Mr. Paul Gérin-Lajoie does not ably manage the Canadian International Development Agency, let him say so—or Mr. Jim Davey!

Anyhow, Mr. Speaker, I think that the charges of the hon. member are shabby and completely unwarranted.

Mr. Deputy Speaker: Order please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Tuesday, November 5, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

VETERANS AFFAIRS

Third report of Standing Committee on Veterans Affairs, in both official languages—Mr. Prosper Boulanger.

[*Editor's Note: Text of foregoing report appears in today's Votes and Proceedings.*]

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EXTERNAL AFFAIRS

TABLING OF AIDE MÉMOIRE AND DRAFT TRADE AGREEMENT PRESENTED TO EUROPEAN ECONOMIC COMMUNITY

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in answer to a question asked yesterday by the Leader of the Opposition, I indicated that I would attempt to table today some documents related to Canada's relations with the European Community.

[*English*]

Under Standing Order 41(2) I should like to table in both official languages copies of the following documents: an aide memoire of April 27, 1974 presented to the European community; an illustrative draft of a possible trade agreement presented to the European community; and the presentation of September 26 in New York by a senior Canadian official to the Committee of Political Directors General of the Nine.

* * *

FISHERIES

STRIKE AT TRANSCONA PLANT OF FRESHWATER FISH MARKETING CORPORATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Cecil Smith (Churchill): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the commercial fishing season in northern Manitoba opened on November 1, and in view of the fact that fish will be shipped to the Freshwater Fish Marketing Corporation at Transcona the employees of which are now on strike and that this emergency situation is effecting the total collapse of the commercial fishery in Manitoba, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That the Minister of State (Fisheries) take immediate and necessary steps to have this strike resolved.

Mr. Speaker: Order, please. The House has heard the terms of the motion proposed pursuant to Standing Order 43. It cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

* * *

● (1410)

IMMIGRATION

REQUEST FOR REPORT ON CHARGES AGAINST IMMIGRATION OFFICERS BY HAITIAN FEMALES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I also rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the recent controversy regarding the deportation of Haitian citizens from Canada and the imminent dangers these people now face, I move, seconded by the hon. member for Cape Breton-East Richmond:

That the Minister of Manpower and Immigration be instructed by this House to report to parliament immediately on the progress of the judicial inquiry instituted by the minister a year ago into charges made by Haitian female immigrants about the immoral and despicable practices of certain immigration officials in Montreal.

Some hon. Members: Shame.

Mr. Speaker: Order, please. Hon. members have heard the motion. Once again I have some doubt about the urgency and pressing necessity of the matter, however, there does appear to be some element of that and I try wherever possible to resolve the issue in favour of the proponent of the motion in view of the fact that the motion requires unanimous consent pursuant to Standing Order 43. Under those circumstances, the House having heard the motion, is there unanimous consent that it be debated at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent it cannot be accepted.

[*Translation*]

AGRICULTURE

REQUEST FOR INVESTIGATION OF SUPPLIES AND PRICES OF FOOD—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of extremely urgent and pressing necessity.

I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the government take immediate steps to investigate the supply sources of food liners and meat importers, the monopoly control of prices, the prices of feed grains, in short, all aspects of a situation which has nothing to cheer Canadian consumers up.

Mr. Speaker: Order, please. The house has heard the hon. member's motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; the motion therefore cannot be put.

* * *

[*English*]

INDUSTRY

SUGGESTED NEED FOR MEASURES TO STIMULATE FOREST INDUSTRY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I take the opportunity provided under Standing Order 43 to propose a motion in respect to a matter of urgent and pressing necessity on behalf of the lumber industry in Canada.

As a result of economic measures applied by our traditional offshore trading partners in their fight against inflation, and as a result of the very inhospitable climate under which the construction industry must operate in our own country, due to high interest rates and monstrous costs of serviced land, the forest and lumber industry, one of the pillars of our country's economic stability, finds itself without a margin on which to base a viable operation. In view of the massive layoffs this has caused throughout our country, and due to the fact that many plants are shut down totally causing irreparable damage to dozens of small single industries and municipalities throughout Canada, I move, and this is seconded by the hon. member for Kootenay West:

That this House instruct the government, and particularly the Department of Industry, Trade and Commerce, to bring immediately before us measures designed to prevent a total collapse of the lumber and forest industry.

Mr. Speaker: Order, please. The House has heard the terms of the motion proposed pursuant to Standing Order 43. It cannot be debated without unanimous consent. Is there unanimous agreement?

[Mr. Speaker.]

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

FINANCE

TAX CUTS ON CLOTHING—ASSURANCE CONSUMERS RECEIVING BENEFIT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would pose a question to the Minister of Finance who said yesterday he had received an assurance from the Minister of Consumer and Corporate Affairs that in all cases clothing outlets are reflecting the removal of the sales tax on clothing. In view of the statement made by the Minister of Consumer and Corporate Affairs that he is simply conducting a pilot study and thorough monitoring was not started until this week, I should like to ask the minister whether he stands by his statement that he received such an assurance from the minister, or whether perhaps his memory was faulty on that occasion?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, my memory is not perfect in every case as the hon. gentleman knows, but what I thought I said yesterday was I have assurance from my colleague that he would be monitoring the area against which the sales tax reductions had been effected to see whether those sales tax reductions had in fact been passed on to the consumer. That is what I thought my undertaking to the hon. gentleman was yesterday.

Mr. Stanfield: Mr. Speaker, I have a supplementary question for the Minister of Finance. I asked the minister whether he had received the assurance that the minister has in fact been monitoring what has been going on, and that in all cases the prices reflect these tax cuts. I understood the minister yesterday to say he had not received any such assurance and then in reading *Hansard* today I find he said he had received such assurance. In view of a subsequent statement by the Minister of Consumer and Corporate Affairs I find this difficult to accept. I therefore ask the Minister of Finance whether he in fact had received the assurance from the Minister of Consumer and Corporate Affairs that yesterday he said he had received.

Mr. Turner (Ottawa-Carleton): What I said was that I had received assurance from my colleague that the monitoring would be done. I have not yet received the results so I cannot give the hon. gentleman any clarification at the moment concerning whether the sales tax reductions had been passed on to the consumer. That will depend on the report I receive from my colleague the Minister of Consumer and Corporate Affairs.

Mr. Stanfield: Mr. Speaker, I have a further supplementary question. I do not wish to pursue this at great length,

but the minister said he had an assurance which in fact he did not have.

Mr. Turner (Ottawa-Carleton): That is not what I said.

Mr. Stanfield: I think the minister should read the question. Perhaps his trouble is that he does not pay as much attention as he should to what I say.

Some hon. Members: Hear! Hear!

Mr. Stanfield: Mr. Speaker, may I ask the minister whether the attitude indicated yesterday by the Minister of Consumer and Corporate that it really did not make any difference when the irregularities were discovered, whether now or in several weeks time, meets the requirement laid down by the Minister of Finance in his budget which is that he would see that the consumer receives the benefit of these tax cuts. Has the Minister of Finance any way to assure us that failure to pass on the tax discovered in a few weeks or in a few months time would in fact benefit an anonymous customer who did not get the benefit of the tax cuts.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do want to be assured that the tax cuts are passed on to the Canadian consumer. This is the reason I asked my colleague to monitor those cuts to see what the result is. When those results are presented to him and to me I am sure the House will want to be aware of those results. I again want to say to the hon. gentleman that I do take very seriously what he says and perhaps more seriously than the Canadian people did in the last election.

* * *

IMMIGRATION

REFUGEE STATUS OF HAITIANS—ALLEGATION BY UNITED NATIONS CANADA VIOLATED PROTOCOL ON POLITICAL REFUGEES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the serious decision reached by the United Nations High Commission on Refugees to study the possibility of Canada having violated the United Nations convention on political refugees, would the minister inform the House of the precise steps taken by his department to ensure that no Haitians who might suffer political retribution if they return to Haiti are in fact sent back.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I would not accept the preamble to the question.

Mr. Woolliams: No one accepts his preamble.

Mr. Andras: That is quite correct and probably quite wisely so, Mr. Speaker. The report by the news media of the statement by the Canadian representative of the United Nations High Commissioner is rather vague and a generalization.

I will be meeting with him very shortly. In the meantime I can only repeat what I have already said, that we are adhering to the principles of the statement contained in the United Nations protocol regarding refugees.

● (1420)

Any person who claims refugee status while in this country, whether here illegally or not, has his or her case reviewed on its merit in two ways, the first by reference to an interdepartmental committee on refugees, which includes as an adviser the U.N. commission for refugees' representative, and if that committee decides that the case has merit and the person is in fact a refugee for the reasons contained in the protocol, then that is the end of it and the person is landed. If, however, that committee decides that the case does not have merit under the terms of the protocol, then that person is denied refugee status but he or she then has the opportunity to make an appeal to the Immigration Appeal Board which has full jurisdiction to review this case as an independent judicial body.

HAITIANS—REQUEST FOR INVESTIGATION OF THOSE ORDERED DEPORTED

Mr. Edward Broadbent (Oshawa-Whitby): Considering that the statement quoted in the press is not at all imprecise but very specific—I refer to the statement attributed to Mr. J. B. Lactot, U.N. representative of the refugee commission—and that he is quoted as having said "perhaps some of them should not have been" in reference to those who have been sent back, this sounds precise. In other words, he is making a judgment about those who have been sent back and, as he is quoted, he thinks a number should not have been so dealt with. I should like to ask, in view of the very serious consequences that might befall these people in their own country, whether the minister could undertake an investigation simply of those who have been ordered deported in recent weeks to ensure that none of his officials have made the wrong kind of decision in this regard.

Hon. Robert K. Andras (Minister of Manpower and Immigration): That decision is not made at the second level by my officials—these are not my officials. The Immigration Appeal Board was set up by this parliament as an independent body with its own jurisdiction and authority to deal with these matters. These appeal cases have been reviewed by the board members who have decided in their wisdom that some of these people are in fact not refugees. I would remind the House also that it was the decision of this parliament that economic hardship is not a criterion for determining refugee status. I would point out that even the person whom the hon. member quoted used the word "perhaps", and so, until I have spoken to the representative, and I am doing that very shortly, I cannot agree with the hon. member that the press report, or his version of the press report is in fact precise.

Some hon. Members: Hear, hear!

Oral Questions

HAITIANS—POSSIBILITY SMALL PERCENTAGE GIVEN REFUGEE STATUS

Mr. Edward Broadbent (Oshawa-Whitby): My last supplementary question is with regard to a statement by one of the minister's own officials who is quoted in the same article as having said that only 20 per cent of those under consideration will probably be given refugee status in Canada. Can the minister inform the House on what the 20 per cent figure was based? Have they reviewed all those who will be sent back or was this an arbitrarily reached figure?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I will have to examine where the 20 per cent figure came from and also examine the statement, but could quite easily be in reference to those cases which have been examined in the first stage, that is by the interdepartmental committee on refugees which does not have the final say in this matter.

CONSEQUENCES OF DEPORTATION OF HAITIANS—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): If the minister would listen, I have something to ask him.

[*Translation*]

Mr. Speaker, my question is more or less supplementary to that of the leader of the New Democratic Party.

The day before yesterday, as I was listening to a morning CKVL program originating from Montreal, I heard two priests, a Holy Ghost father and an Haitian priest, clearly indicate that some Haitians will be accused and shot without further ado the moment they arrive in their homeland.

Does the department concerned verify the discussions between the Quebec government and the Haitians who have been ordered deported as soon as possible? Has the minister directed his officials to delay the execution of the deportation orders as long as it has not been ascertained, for humanitarian reasons, that the lives of those people will not be endangered?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the situation as described by the hon. member, of the possibility of prosecution upon return to their homes for reasons of political or other activities, is exactly the kind of information and exactly the kind of circumstances that are investigated. At both or either levels of examination, that is the interdepartmental committee and the Immigration Appeal Board, if it is established that the claim on those grounds is valid, they are not deported. With regard to the other part of the question, people who have claimed refugee status, by virtue of the claim alone and no other action on their part, are entitled to be examined in the manner I have already described. Until the result of that examination is known, and a decision taken with regard to the refugee claim, no action is taken on the question of deportation.

[Mr. Andras.]

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I would like to put a supplementary to the Minister of Manpower and Immigration.

There is no doubt that some Haitians have already signed a form indicating that they were coming here for educational purposes and that they would go back to their country later on. If, after doing so, those people are threatened with death or an unfair trial, does the department take into consideration the eventuality of their being ill-treated once there, and will it take appropriate action in Canada?

[*English*]

Mr. Andras: Mr. Speaker, it is incumbent upon the person seeking refugee status to claim it. As I have indicated already, in every case where that claim is made it is investigated and no deportation is made until the validity or otherwise of the claim is established.

* * *

INQUIRY

FRESHWATER FISHERY—SUGGESTED ISSUANCE OF EXPORT PERMIT TO FISHERMEN

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question to the Minister of Industry, Trade and Commerce arises from the strike at the Transcona Freshwater Fish Processing Plant where negotiations are presently taking place. Would the minister consider issuing an export permit to a collective body of fishermen so they might investigate a market for fish elsewhere?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am unfamiliar with the circumstances of the inquiry but I shall look into the matter and give the information to the hon. member.

* * *

TRADE

EFFECT OF INCREASE IN IMPORTS—GOVERNMENT ACTION TO COUNTERACT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is also for the Minister of Industry, Trade and Commerce. As the volume of imports of fully manufactured products has increased by 12.4 per cent so far this year over the same period a year ago, thereby displacing one-eighth of Canadian production from the Canadian market, would the minister advise the House what he intends to do to arrest this very serious trend which is materially slowing down Canadian production?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have been taking action on many fronts. I think the hon. member might be interested to know that since 1962 the increase in volume of fully manufactured goods has gone up seven times, whereas our other exports have gone up about or over three times. In other words, our increase in fully manufactured goods has been greater than our export increase in other

products. We are not satisfied with that and I doubt whether we will ever be satisfied with our exports of fully manufactured products. Through amendments to the Export Development Act, through effective operation of the autopact, through the operation of the Foreign Investment Review Act and through a variety of programs aimed at supporting Canadian fully manufactured goods, we will maintain the present increase.

Mr. Speaker: Order, please. Hon. members have expressed some discontent about the rather rambling and speechlike nature of the reply. We have to realize, however, that sometimes the nature of the reply is dictated by the nature of the question.

● (1430)

Mr. Hees: Mr. Speaker, with all due respect to you, I cannot think of a question more important for the manufacturing industry of Canada than the one I just asked. The minister refused to answer any part of my question. I asked about imports and what he is going to do to stop the displacement of one-eighth of Canadian production in the Canadian market. The minister dealt completely with exports. I point out that, with an attitude like that on the part of the government, it is no wonder that exports are falling and imports increasing?

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

Mr. Gillespie: Mr. Speaker, I think it important to remind the hon. member that we are a trading nation and we import as well as export. We have a favourable trade balance on merchandise account. Roughly one-half of manufactured goods produced in Canada are exported.

Mr. Whiteway: Mr. Speaker, I rise on a point of order. I had a supplementary question for the minister. Out of courtesy I allowed him to speak and then rose on a point of order, but Your Honour did not recognize me.

Mr. Speaker: Order, please. The hon. member no doubt will realize that in answer to his question the minister indicated that he would review all the circumstances, investigate, obtain information and report at a later time. There is always discretion in the Chair as to whether a supplementary question ought to be allowed. In the circumstances, I have decided that as the minister has undertaken to gather information in response to a question and report back at a later time and as, undoubtedly, the hon. member will want to ask further supplementary questions at that subsequent time when the minister reports to the House, I do not think it is fair to permit the hon. member doing the original questioning to ask supplementary questions both at the present time and at that later time.

Mr. Hees: Mr. Speaker, I too, rise on a point of order. It is this: As so often happens, the minister has tried to mislead the House.

Some hon. Members: Oh, oh!

Mr. Hees: I said he tried. I did not say it was deliberate; I said he tried.

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, the minister said that the government at present had a favourable balance of trade. That is absolutely untrue. At this very moment this country—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It is evident that the hon. member is trying to establish a point of order; perhaps the minister has tried to mislead the House, but I am not sure that either one has really succeeded. I think we ought to get on.

Mr. Hees: If the minister gets up I will really have something to say.

Mr. Gillespie: Mr. Speaker, I rise on a question of privilege. I submit that the hon. member has succeeded in misleading the House in that he misquoted me by saying I had said there was a favourable trade balance. I said we have a favourable balance on merchandise account, and that is true.

* * *

CONFLICT OF INTEREST

USE OF SEAGRAMS JET BY MINISTER OF NATIONAL HEALTH AND WELFARE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Prime Minister. Would the Prime Minister indicate if he is aware that the Minister of National Health and Welfare is now on an official visit to Israel, having accepted passage to that country on a distillery jet owned by Seagrams, Canada's largest manufacturer of alcoholic products. If so, can the Prime Minister indicate why the minister chose to use the distillers' jet?

An hon. Member: Is it going to get there?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know, but if I were to be flip I might say perhaps it was an attempt to save fuel. I was not aware of this until I learned of it this morning. I was aware, of course, that the minister had been invited to Israel by the Israeli government and that the Israeli ambassador had arranged transportation on this particular aircraft. I take it the hon. member knows of no better way of having a minister accept an invitation than by doing it in a way the inviting government proposes.

Mr. Stevens: Mr. Speaker, may I direct a supplementary question to the Prime Minister. In view of the Minister of National Health and Welfare's much publicized attack on beer advertising made in a speech in this city last September when he asked, "Why should beer be advertised in the broadcast media when liquor advertisements are not allowed," does the Prime Minister believe there is no possible conflict of interest in the minister's accepting this hand-out, bearing in mind that while Seagrams are our biggest distillers, they have no Canadian beer interest, the brewing industry being in fact their biggest competitor.

Mr. Trudeau: Mr. Speaker, I would be prepared to say there is no conflict of interest. Perhaps, if it will satisfy

the hon. member, I will have the minister invited to Egypt and he can fly in Molson's plane on the next trip.

* * *

GRAIN

POSSIBLE REPEAL OR AMENDMENT OF CROWSNEST PASS FREIGHT RATE—GOVERNMENT POSITION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. In view of the minister's answer given in this House on October 29, in response to a question by the hon. member for Saskatoon-Biggar to the effect that any changes in the Crowsnest Pass freight rates in the months and years ahead will require legislation in this House, can the minister advise the House whether the government intends during the present session either to repeal or amend the Crowsnest Pass freight rates.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there is no intention on the part of the government to introduce such legislation in the present session.

* * *

CONFLICT OF INTEREST

SUGGESTED DISCLOSURE OF ASSETS BY MINISTERS—ADEQUACY OF BLIND TRUST PROVISION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Prime Minister. Is the right hon. gentleman seriously reviewing guidelines on conflict of interest for himself and his fellow ministers, as outlined in the green paper on conflict of interest, and will he now insist that all ministers, together with himself, make full and complete disclosure before the Clerk of this House on both their own and their family's assets and liabilities?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, guidelines for ministers were enunciated before the House last year and I do not recall the particular suggestion of the hon. member being made at that time in response to my statement. However, I would remind the hon. member that guidelines have been put forward for members of parliament. They have been suggested to parliament by the government and they are to be examined at leisure by a parliamentary committee. If this examination takes place, the government will be prepared to implement such legislation and it is just possible that if the suggestion of the hon. member has merit, it will be adopted by his colleagues and included in the law, in which case it will apply to ministers.

Mr. Grafftey: A supplementary question, Mr. Speaker. Does the Prime Minister not feel that conflict of interest is more a House of Commons affair than one for officials of the Privy Council, and does he seriously believe that blind trusts, as outlined in the green paper on conflict of interest, constitute the kind of declaration which will seriously satisfy the people of Canada?

[Mr. Trudeau.]

Mr. Speaker: Order, please. The answer has been given. A House of Commons committee will consider this matter. I do not think that was a proper question.

* * *

SCIENCE

REQUEST FOR INCREASED SUPPORT FOR RESEARCH IN UNIVERSITIES—POSSIBILITY OF MAKING A COST STUDY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of State for Science and Technology. In view of claims of Canadian scientists that the growth rate of National Research Council spending on university research in the past half dozen years has been only a fraction of that applying to similar programs in countries like the United States, Great Britain and France, countries which support their scientists, is the minister, together with his officials, considering a re-evaluation of support for scientific research in Canadian universities.

Hon. C. M. Drury (Minister for Science and Technology): Mr. Speaker, it is clear that this particular matter requires reviewing. Indeed, it should be viewed against the perspective of substantial increases in research funds granted in aid of universities and researchers in the late 1960's. At that time it was agreed government policy to devote additional funds which could be made available for research in areas which, on an international comparative basis, we appeared to be lagging. I am thinking of research outside of government and outside of universities, namely, in industry. The thrust of the government in assigning funds in this period has been devoted largely to increasing and improving research in industry; research in aid of education within universities has been held more or less stable. As a consequence, however, of rising prices and the effects of inflation, the sums dedicated to university research should be augmented.

● (1440)

Mr. Orlikow: Bearing in mind the claims of research scientists that the cost of research has risen substantially and that the increases granted in recent years have not, therefore, led to an increase in research activity—on the contrary, there has actually been a decrease—and that this situation has made it particularly difficult to offer opportunities to younger scientists entering the field, would the government undertake to study the actual cost of carrying out research work with a view to ensuring that the level can at least be held somewhat near that of 1968 or 1969?

Mr. Drury: Yes, Mr. Speaker.

Mr. Stevens: On a question of privilege, Mr. Speaker. I rise because I have been attempting to catch your eye in order to address a supplementary to the Prime Minister. I was greatly disturbed by the Prime Minister's flippant answer—

Mr. Speaker: Order. The question of whether or not a further supplementary ought to be allowed is entirely within the discretion of the Chair, which is guided by the nature of the subject and the answer or answers given up to that point. While I may never satisfy all hon. members,

I have to bear in mind not only the importance of the subject but the desirability of getting round to as many other hon. members as possible. As I say, individual members may never be entirely happy about the way in which this discretion is exercised, but the Chair must decide and it can never, in my view, constitute a question of privilege.

Mr. Stevens: My question of privilege is that I put this serious question to the Prime Minister—

Some hon. Members: Sit down!

Some hon. Members: Order!

* * *

CANADIAN BROADCASTING CORPORATION

ALLEGED BIAS ON SUBJECT OF ABORTION—SUGGESTION ALLIANCE FOR LIFE GROUP BE INVITED TO APPEAR ON NETWORK

Mr. Jean-R. Roy (Timmins): A question to the Secretary of State, Mr. Speaker. According to information given to me Dr. Henry Morgenthaler and the prohibitionists—

Some hon. Members: Oh, oh!

Mr. Roy (Timmins): —and the pro-abortionists have had many opportunities to appear on CBC while the Alliance for Life group has been refused the same opportunity. Will the minister assure us that the policy of the CBC is not to promote abortion and will he see to it that a proper balance is re-established by ensuring the Alliance for Life group an opportunity to appear on the network?

Some hon. Members: Hear, hear!

Hon. James Hugh Faulkner (Secretary of State): I am perfectly satisfied that the corporation has no particular bias on this subject.

Some hon. Members: Oh, oh!

Mr. Faulkner: However, I will make sure that the hon. member's representation is made known to the corporation.

* * *

POST OFFICE

ALLEGED POOR SERVICE IN CALGARY—GOVERNMENT ACTION

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a question for the Postmaster General. In Calgary, a couple of weeks ago, the Postmaster General indicated that the mail service in that city had improved immensely and that the rating had gone up from a figure of 30 to 80, almost the highest rating possible. In the light of a recent mail test in Calgary which showed that approximately 80 per cent of the first class mail was delivered late and that 6 per cent of the mail was not delivered at all—

Some hon. Members: Oh, oh!

Mr. Bawden: —though posted in the "guaranteed mail" boxes, will the minister explain this post office rating and tell us when this disastrous mess will be cleaned up?

Some hon. Members: Hear, hear!

Hon. Bryce Mackasey (Postmaster General): The hon. member conveniently failed to tell us who made the test and how many letters were included? I understand it was a newspaper and I think the conclusions were based on 20 letters mailed in Calgary. I would suggest that the hon. member, who comes from Calgary, should show a little more basic confidence in the ability of the employees in Calgary to do their jobs properly.

* * *

CONSUMER AFFAIRS

ALLEGED MISLEADING ADVERTISING BY POST OFFICE—GOVERNMENT ACTION

Mr. Peter C. Bawden (Calgary South): My supplementary is to the Minister of Consumer and Corporate Affairs. In view of the farce being perpetrated at the expense of the Canadian people by this misleading advertizing in the Post Office, will the minister tell us why he is not prepared to step in and end this dishonesty?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I think the remarks made by the hon. member have been particularly disproved by the Postmaster General, and I do not attach more importance to his second question than to his first one.

* * *

[*English*]

NATIONAL CAPITAL

ESTABLISHMENT OF COMMITTEE TO STUDY FULLERTON REPORT—SUGGESTED CONSULTATION ON TERMS OF REFERENCE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Prime Minister with respect to the Fullerton Report which was released to members of the House yesterday and to the press on Friday. Could the Prime Minister tell us when a joint committee of this House and of the Senate will be asked to study the report and whether it will be given a mandate to ensure that the process of consultation between all levels of government, federal, provincial and municipal, will be followed to the maximum degree, and, particularly, whether there will be consultation with the provinces, the regions and the local municipalities with respect to terms of reference of that committee so that all these interests can be represented during the course of the consideration given to this subject?

Right Hon. P. E. Trudeau (Prime Minister): According to my information there must have been a mistake in the preamble to the question. I am informed that copies were distributed to the members yesterday and that the press conference took place later in the afternoon, not earlier, as

I believe the question implied. As far as the setting up of the committee is concerned, the House leader did discuss this matter with me yesterday, indicating that such a committee would be set up later this month. He will be discussing its terms of reference with the representatives of the other parties in the usual way.

METHOD OF ARRIVING AT DECISION ON FUTURE STRUCTURE

Mr. Walter Baker (Grenville-Carleton): With respect to the opening remarks of the right hon. gentleman may I say it is he who is misinformed as to the date of distribution. Be that as it may, I should like to direct a question to the Minister of State for Urban Affairs. In view of the fact that the report recommends various changes which would have a definite impact on residents of the national capital region affecting, as they do, the power to tax, the power to plan, to educate, the administration of justice, representation by population, the language question and a host of other things, would the minister indicate how the final decision will be taken with regard to the future structure of the national capital?

Hon. Barney Danson (Minister of State for Urban Affairs): I appreciate the brief resumé of the report given by the hon. member, which is a help indeed since it indicates the breadth of its scope. Obviously, this is a question which the committee will itself take into serious consideration while it is preparing various options for study by members of this House and of the other place.

* * *

[Translation]

AGRICULTURE

DESTRUCTION OF CANADIAN EGGS WHILE IMPORTS ALLOWED FROM UNITED STATES

Mr. Eudore Allard (Rimouski): Mr. Speaker, in view of the absence of the Minister of Agriculture, I wish to put a question to his parliamentary secretary.

According to Statistics Canada, 41 million eggs were imported from the United States last spring and 2,160,000 more are reported to have entered our country this week. Can the parliamentary secretary tell the House why American eggs are being brought out on our market while Canadian eggs are being destroyed in our warehouses?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I should like to assure the hon. member that a commission has now been appointed to study egg marketing in Canada. I feel it would be very difficult to intervene before the report of that commission has been published.

● (1450)

IMMIGRATION

CONSEQUENCES OF DEPORTATION OF HAITIANS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to direct a question to the Minister and Immigration, following the answers he gave today. My question relates to the deportation of Haitians.

In view of the fact that, according to a Geneva commission, the Duvalier regime is responsible for the death of 30,000 people over a period of 17 years and that a Haitian repressive legislation against communists includes all the people who are opposed to the regime, such as Karl Lévesque, a Jésuite priest, and all the officials of the Haitian Christian Community in Montreal, can the minister tell this House on what basis he can ascertain that a Haitian will not be considered as a suspect on his arrival in Port-au-Prince?

[English]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this is the subject matter of a very elaborate, fair and just examination procedure which has been set up under Canadian law and which I might say is almost unprecedented throughout the world in its attention to this kind of situation, which deals with the application of an individual for refugee status on the basis either that he will face persecution on grounds similar to those mentioned in the representation of the hon. member, in which case he has a legitimate claim, or that he will suffer only economic hardship, in which case his claim is not valid.

The United Nations protocol quite clearly distinguishes between persecution on the grounds outlined in the protocol, and suffering economic hardship. The communications I have had from the United Nations high commissioner's representative in Geneva clearly indicates agreement that there has to be some mechanism by which you distinguish between persecution as outlined in the protocol and economic difficulty when a person makes an application.

[Translation]

Mr. Wagner: Mr. Speaker, I have a supplementary question.

I am sorry to see that the minister does not seem to have understood the full significance of this first question. I will therefore ask a similar one as a supplementary.

In view of the fact that, at the present time, between 850 and 1,500 Haitians are about to get a taste of the government's sense of social justice and humanism, is the minister waiting, before he changes his attitude, for someone to commit suicide in public, as was the case with Turenne Devil on February 14, 1974, in Miami, which induced the American government to stop all deportations to Haiti?

[English]

Mr. Andras: Mr. Speaker, where it is established that a person is in danger of persecution under the terms of the protocol, the interdepartmental committee on refugees would so determine and that person would be landed and not deported. If, however, that departmental committee does not so decide, the individual in question may still

have access to an appeal to the Immigration Appeal Board. But it has to be clearly understood, I think, that not all people from Haiti, or all people from any other country who come to Canada and claim refugee status, are in fact entitled to do it under the terms of the United Nations protocol to which we are signatories.

* * *

AIRPORTS

PICKERING—DATE OF PUBLICATION OF REPORT

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Transport. I should like to ask the minister when we might expect the inquiry commission report on Pickering airport which was concluded in June?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not remember having said or anybody having said that we were supposed to get the report in June. Perhaps I have misunderstood, but I hope we will have the report in the House before the end of the year.

* * *

REGIONAL ECONOMIC EXPANSION

MARITIMES—POSSIBILITY OF INCREASE IN BUDGET OF DEPARTMENT IN VIEW OF NEEDS OF AREA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to direct a question to the Minister of Regional Economic Expansion. In view of the minister's assessment, as quoted in the *Globe and Mail* yesterday, that $10 billion or $12 billion may be needed for capital development projects in the maritimes region, can the minister indicate whether or not DREE has made or is in process of making projections for an appropriate increase in its budget to look after these needs?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I was not speaking of moneys coming from public sources; I was simply talking about the necessary capital accumulation. So far as DREE is concerned, we have increased our budget annually over the last three or four years and hopefully will continue to do so; but the kind of investment that we are speaking of will have to come from sources in the private sector as well.

Mr. MacKay: Mr. Speaker, a brief supplementary question. In considering the possibility of increasing the budget of DREE, has the minister indicated, has he thought about the contingency that allowance may have to be made for possible application by his colleague, the Minister of National Defence, for funds to keep this nation's armed forces from going down the drain?

POST OFFICE

POSSIBILITY OF COMMENCING NEGOTIATIONS WITH EMPLOYEES IN VIEW OF DECERTIFICATION OF COUNCIL OF POSTAL UNIONS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. In view of the difficulties outlined by the hon. member for Calgary South arising from the delicate labour situation in the Post Office following decertification of the Council of Postal Unions by the Public Service Staff Relations Board, an action that automatically terminated their contract and which may delay the commencement of negotiations until late in December, based on his experience in labour negotiations would the minister indicate what action he has taken to determine ways and means of beginning bargaining before new certifications are issued?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, if I was flippant and honest I might say that I would burn a candle when I went to mass on Sunday hoping that everybody will stay on the job. The really important thing is that early in December new bargaining agents will be certified by the Public Service Staff Relations Board, at which time hopefully collective agreement negotiations will begin between the employers—in this case, the Treasury Board—and the newly recognized bargaining agent for the postal workers. The important thing is that in the interval the postal workers do not become demoralized by these constant attacks on their efficiency and remain in place until the due process of the law is followed. Hopefully we will then be able to come up with a collective agreement which is both fair to the taxpayer and fair to the workers.

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PUBLIC SERVICE

REFERENCE OF FINKELMAN REPORT TO COMMITTEE

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. I might comment "how a far little candle throws its beam"; perhaps it will go as far as the President of the Treasury Board. Inasmuch as the Public Service Staff Relations Board issued the decertification, would the President of the Treasury Board indicate to the House when the Finkelman report will be referred to the Standing Committee on Labour, Manpower and Immigration so that MP's might have an opportunity to study thoroughly the relationships between government and its employees?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the President of the Privy Council has already established a committee and the Finkelman report will be studied by a joint committee of the House and the Senate very soon. I am surprised the hon. member was not aware of that.

Oral Questions

CONSUMER AFFAIRS

INCREASE IN PRICE OF PERSONAL HEALTH CARE PRODUCTS—SUGGESTED INVESTIGATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. I wonder whether he would advise the House if he has directed an investigation under the Combines Investigation Act to inquire into the evidence of unwarranted price increases in personal and health care products, as promised during the last session?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I cannot answer the question. I doubt whether such a promise was made publicly. If the director has reason to believe that the law has been infringed upon, he may ask for an investigation, but such an investigation is always performed in confidence and it is not advisable to make it public before it is completed.

[*English*]

Mr. Marshall: A supplementary question, Mr. Speaker. In view of the fact that the minister's predecessor the hon. member for Windsor West made a commitment on July 10, 1973 that he would cause an investigation to be made under the jurisdiction of the Combines Investigation Act, would the minister investigate these unwarranted price increases, which are going up almost as fast as food prices, and also the spread in prices between like products? This practice is hurting people who are finding it difficult even to buy food.

[*Translation*]

Mr. Ouellet: Mr. Speaker, it has been known for a long time that according to practice it is not advisable to make comments before the investigation is deemed to have been completed and I do not think any member of this House would like me to depart from this long established custom.

* * *

● (1500)

[*English*]

ENERGY

DISCUSSIONS WITH UNITED STATES ON PIPELINE SECURITY—REQUEST NO DECISION TAKEN ON MACKENZIE VALLEY PIPELINE UNTIL COMPLETION OF INQUIRY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in view of the fact that the Canadian government has begun negotiations with the United States on pipeline security, would the Minister of Energy, Mines and Resources assure the House that these negotiations deal exclusively with existing Canadian pipelines traversing United States territory and not with the proposed Mackenzie pipeline?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the treaty would cover any pipeline, whether existing or contemplated, crossing the territory of one state carrying oil or natural gas either from overseas or from one part of the other country to another part. The treaty would not be confined to existing pipelines, but it would be a general treaty dealing with this kind of pipeline arrangement now and in the future.

[Mr. Chrétien.]

Mr. Symes: Mr. Speaker, my question was not related to treaties but to current discussions taking place. Can the minister assure this House that no substantive negotiations with the United States on the Mackenzie Valley pipeline will occur until the special inquiry of Mr. Justice Berger is completed?

Mr. Macdonald (Rosedale): Mr. Speaker, I should explain to the hon. gentleman that the negotiations now underway are negotiations leading to a general treaty with regard to protection of pipelines. Having regard to the discussions on the Mackenzie Valley pipeline, it is inevitable that in the exchanges we are having about energy relations between Canada and the United States this will be discussed. As the Prime Minister made clear in a statement in December 1973, however, any decisions that may take place in this country will be subject to all appropriate regulatory, and other approvals.

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EXTERNAL AFFAIRS

EMPLOYMENT OF RENÉ MANTHA BY FIRM UNDER CIDA—REQUEST FOR REPORT

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, almost two weeks ago the Secretary of State for External Affairs indicated he would provide the House with a report on all the circumstances regarding the relations of the government of Canada with Mr. René Mantha, with particular reference to any application by Mr. Mantha for a full pardon, and Mr. Mantha's employment in Africa by a company under contract to CIDA. I am wondering whether that report is ready for the House? In order that I might slip in my supplementary question, if it is not ready would the Prime Minister give us an undertaking now to include in that report when it comes, or in a supplement to the report, an indication of the specific nature of any intervention on behalf of Mr. Mantha by Mr. Paul Desrochers or any official of the Quebec Federation of Labour, or by any present or former member of the office staff of the Prime Minister?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot recall the question having been answered. Either I was not in the House or perhaps it came while I was in Europe, but I will take note of the question.

Mr. Clark (Rocky Mountain): And the supplementary?

Mr. Trudeau: And the supplementary.

* * *

PENITENTIARIES

RELEASE OF ROY KULLY FOLLOWING REPEATED OFFENCES—SUGGESTED TIGHTENING OF REGULATIONS

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question involves the case of one of the

Solicitor General's inmates originally sentenced in 1965 for the sex strangling death of a five year old girl. This prisoner was let out on a pass to participate in a children's play. At large for 20 days this individual murdered again and was given a second life sentence. Again this dangerous inmate was let out on a pass and recently committed armed robbery and forcible seizure. Can the Solicitor General advise whether Roy D. Kully was let out on repeated passes in accordance with some new regulations or is this another case of tragic negligence on the part of the Solicitor General and his officials?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will look into that case but I must advise the House that under the bill that we passed, the capital punishment bill last year, a convicted murderer is not eligible for a temporary absence pass until two years prior to his eligibility date for parole, which would mean at least eight years. I do not know what the facts of this case are but I will investigate. I do not know how he would be out on a pass.

Mr. O'Sullivan: Mr. Speaker, in view of the case just mentioned, and that cited yesterday by the hon. member for Saint-Hyacinthe, in which Montreal police are looking for one Arthur Gagné, a murderer also let out on a pass and is now suspected of participating in a double murder over the weekend, bearing in mind such tragic occurrences, will the minister now advise his officials to tighten up or eliminate procedures whereby passes are so frequently given to those serving life sentences for murder?

Some hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, I must inform the House that measures have been taken over the last few years to tighten up on the temporary absence pass program. This was a very unfortunate incident which happened in Montreal recently and, as the hon. member knows, the man in question, Mr. Gagné, is a suspect in this case and has not yet been either arrested, charged or found guilty. From what I read in the papers the evidence is just fragmentary. Let me say that in addition to that, under the temporary absence program generally last year we had over 60,000 temporary absence passes with a failure rate of approximately one per cent, which is a very high rate of success.

Some hon. Members: Oh, oh!

An hon. Member: I am sure the families involved are not interested.

Mr. Allmand: Mr. Speaker, it is just unfortunate that there are incidents like this one, but we will continue to improve our program. I am not sure whether the hon. member is suggesting that we should end it altogether. I do not know whether that is Conservative policy.

An hon. Member: We want to know your policy.

CRIMINAL CODE

SUGGESTED CHANGE IN PROVISION TO DEAL WITH THOSE WHO HAVE BEEN TWICE CONVICTED OF MURDER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, because of the position I have taken for a long time in reference to people who have been convicted of murder getting out on these temporary passes I should like to put a supplementary question either to the Prime Minister, who is now leaving, or the Solicitor General.

Mr. Trudeau: I am not leaving. I am here. I was not leaving, I was just going to talk to another minister.

Mr. Hees: Well, you won't miss anything.

Mr. Woolliams: Mr. Speaker, I should like to ask the Prime Minister whether he will consider changing the law so that anyone who is convicted of a second offence of murder and is sentenced to life it will mean life, that he is taken out of our society or, in the alternative, will he bring back capital punishment in respect of those persons who are convicted of murder twice in a row?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I saw several members in the opposition benches applauding that question. I must say I was on my way and did not hear the preamble, but I doubt whether it supported the conclusion.

Some hon. Members: Oh, oh!

* * *

PRIVILEGE

MR. J.-P. GUAY—RIGHT OF PARLIAMENTARY SECRETARIES TO ASK QUESTIONS DURING ORAL QUESTION PERIOD

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, for several days I have been trying to ask a question.

Some hon. Members: Oh, oh!

An hon. Member: Ask it at caucus tomorrow.

Mr. Guay (St. Boniface): Mr. Speaker, my question is a very important one and has reference to the $500 grant—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. If the hon. member is rising on a question of privilege regarding not being recognized, I would be pleased to deal with it. But it is not the subject matter or the importance of the question that is involved, because every day there are several hon. members whose questions, I am sure, are extremely important but they are not recognized.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a question of privilege. I should like to repeat that I have tried

for several days to ask a question. If a parliamentary secretary is not to be recognized in the House for the purpose of asking a question—and the people of his constituency expect him to rise in the House once in a while and ask questions—I believe, sir, that you ought to tell the House that you will not recognize us.

Mr. Speaker: Indeed, I welcome this question of privilege for that very purpose. I have, of course, to consider whether some members of the House are eligible to use the time of the question period to pose questions to the ministry. It is obvious, certainly, that members of the ministry ought not to enjoy the privilege of being able to both represent the government in answering questions in the House of Commons and, in turn, to use the time of the question period to ask questions.

Some hon. Members: Hear, hear!

Mr. Speaker: Similarly, the privilege, of course, of being elevated to the position of parliamentary secretary falls only on those among the government ranks. This extends to those hon. members, not only the recognition, prestige and advantage that comes from their position but the obligation of answering questions, because not only do they occasionally answer questions during the question period, but they do so on a regular basis during the "late show" proceedings at 10 p.m. when they answer for the ministry. I have taken the position, to which I hold, that those who are clothed with the responsibility of answering for the government ought not to use the time of the question period for the privilege of asking questions of the government.

● (1510)

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, so that the parliamentary secretary will not feel isolated, may I take the liberty of asking the Acting Prime Minister to treat the parliamentary secretary with a little more respect and answer his questions privately.

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, on the question raised by the parliamentary secretary, I can appreciate the reason for which you have come to this conclusion but I would point out to you—

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): Why don't you guys just sit down and listen for a change?

Mr. Sharp: —that parliamentary secretaries, when they are appointed to these positions, are not aware of this particular disability, and it seems to me that this question does deserve further consideration.

Some hon. Members: Oh, oh!

An hon. Member: That is known as parliamentary reform.

[Mr. Guay (St. Boniface).]

Mr. Sharp: Mr. Speaker, certainly I do not expect you to act differently from the way you have in the question period, but I would suggest that this question might be considered when we consider the rules of the House.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, to follow the stand taken by my colleague, I wonder whether before making a definitive rule on this question you would—

An hon. Member: It is definite.

Mr. Turner (Ottawa-Carleton): —give members on all sides of the House an opportunity to argue this question before you. I have sat in this House for 13 years and the tradition of this House, supported by Speakers before you, sir—

Mr. Speaker: Order, please. The question raised by the parliamentary secretary is of rather fundamental principle and of extreme importance in the conduct of the affairs of the House. I have indicated the reasons for my position, but I would very much appreciate being able to listen to the views of other hon. members who wish to express their opinions, because it is an important matter. I am certainly prepared, if the House wishes, to think about this matter further and receive representations at another time.

Some hon. Members: No.

Mr. Speaker: However, at the moment, based on the understanding of the role and the privileges with which a parliamentary secretary is clothed, and therefore his special opportunity of access to the ministry in light of the position to which he has been appointed, I have expressed my own view and I am prepared at some other time to listen to further representations.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I hope you would hold open this question to allow some of us who have feelings about it—

Mr. Baker (Grenville-Carleton): Sit down. You are impertinent.

Some hon. Members: Order.

Mr. Speaker: Order, please. I can see that hon. members on both sides of the House would like to make representations on this point, and I would appreciate being able to hear from them. The Minister of Finance (Mr. Turner).

Mr. Turner (Ottawa-Carleton): Mr. Speaker—

An hon. Member: The new C. D. Howe.

Mr. Turner (Ottawa-Carleton): No. With the greatest respect, Your Honour, I would submit that you have come to a position without understanding the panorama of the views of the House.

An hon. Member: Are you questioning the Speaker's motives?

Mr. Turner (Ottawa-Carleton): The hon. member for Edmonton West, when he was Speaker; the Speaker before that, Honourable Roland Michener, and the Speaker who

preceded Your Honour gave the discretion to parliamentary secretaries to rise in this House and put questions to ministers other than their own, because they carried no responsibility for another department.

Mr. Nielsen: Mr. Speaker, on a question of privilege—

Mr. Turner (Ottawa-Carleton): No. I am speaking on a point of order.

Mr. Speaker: Order, please. I might remind the honourable member that we are dealing with a question of privilege by the honourable member for St. Boniface (Mr. Guay) at the moment.

Mr. Turner (Ottawa-Carleton): The views of the honourable member for Yukon (Mr. Nielsen) on this subject are well known. We have argued this question before previous Speakers. I would ask Your Honour to allow the House to debate this point and to give a ruling on a future occasion. Then this whole question could be aired, as it should, because it involves the rights of private members who, despite the fact that they are appointed parliamentary secretaries, have no responsibility in the ministry, do not take that oath and owe responsibility to their ministers alone and to the Prime Minister. Through the traditions of this House they have been allowed to pose questions to other ministers for the past 12 years.

Mr. G. W. Baldwin (Peace River): Earlier in today's session Your Honour had occasion to make rulings with regard to supplementary questions. Those rulings made some of us unhappy, but they were rulings by the Chair and we accepted them. If there were freedom in the House to challenge Your Honour on every occasion when an honourable member thinks he has been discriminated against, it would be a very chaotic place indeed.

I am surprised at the attitude of the President of the Privy Council (Mr. Sharp) and the Minister of Finance (Mr. Turner), who should know better and know that from time to time in this House members of the opposition have challenged, at times successfully, the right of parliamentary secretaries to ask questions. Your Honour has put before us your particular position in regard to the discretion which is given to the Chair in respect of certain situations. Your Honour has exercised this discretion in various ways. You have seen fit—in my opinion and in the opinion of many of us in this House, quite properly—to exercise this discretion against the right of parliamentary secretaries to ask questions. There are very good reasons behind this.

I suggest it would be in the best interests of this House if the Minister of Finance and all members of the government would accept that decision, and then later during this or another session there might be a debate on the rules, when the matter could be raised. But Your Honour has made a decision, we have accepted it and the government should accept it.

Some hon. Members: Hear, hear!

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the Minister of Finance (Mr. Turner) says, quite properly, that he has been here 13 years. I have been here as long as that.

Mr. Turner (Ottawa-Carleton): Yes, you have.

Mr. Diefenbaker: This is the first time since the notorious pipeline debate that I have witnessed— the Prime Minister (Mr. Trudeau) laughs. He has done more to destroy parliament than any other person.

Some hon. Members: Hear, hear!

● (1520)

Mr. Diefenbaker: I witnessed what took place in 1956 when ministers, not satisfied with the rulings being given, decided to undermine them. I have not forgotten; and it is more than 18 years ago since that that took place. Sir, you have made a ruling. We will not always agree with your rulings, but authority does not permit challenge in this House—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: —either directly by vote or indirectly by government representatives endeavouring to bring about an alteration after a ruling had been made. I have been here and seen Mr. Speakers come and go. You have discharged your duties in a way that has done credit to you and to parliament, and I deeply resent the attitude of ministers of the Crown, activated and encouraged by the Prime Minister who should be upholding parliament. The ruling is made, it stands. In no case should Your Honour permit himself to be trammelled by the desires of a government that, not satisfied with its majority, now wants to control Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Norman A. Cafik (Parliamentary Secretary to the Minister of Consumer and Corporate Affairs): Mr. Speaker, I rise to speak on this question because it is fundamental one. It affects the rights and privileges of a certain select group of people in this House. It seems to me that any ruling which would prohibit a parliamentary secretary from asking questions in this House would demote parliamentary secretaries to second-class status. We have constituents to represent, and I think that all members of the House—including those on the other side—would respect a parliamentary secretary who was trying to perform that function and the duty we have to our constituents, as do other members of the House.

The second point I wish to make is that in reading the rules of procedure of this House I am at a loss to find anything that constitutes prohibition against a parliamentary secretary asking questions.

An hon. Member: Mr. Speaker has ruled.

Mr. Cafik: I think Mr. Speaker can speak for himself.

Some hon. Members: Sit down.

Mr. Speaker: Order, please. Be that as it may, I am anxious, as I have said, to hear the views of those who have expressed a desire to comment on the subject, which is of some importance. I have stated my position, and I would appreciate it if hon. members who wish to contribute would do so, because I am anxious to hear them. I only

hope that, respecting the subject matter of the debate today, we will keep interventions as brief as possible.

Mr. Cafik: There is no doubt at all that there is a long-standing tradition in the House according to which parliamentary secretaries have asked questions. I did so on many occasions in the last two years as parliamentary secretary. The hon. member for Peace River (Mr. Baldwin) said that the right of parliamentary secretaries to ask questions has been successfully challenged in the past. That is not true, to my knowledge. My right to ask questions has been challenged and I have always in the past been given that right by Mr. Speaker. I certainly hope I will be given that right in the future.

I think that it is understandable—this point has been alluded to by previous speakers—that parliamentary secretaries should not ask questions of their own ministers. Clearly, we have some special rights and obligations respecting our ministers. On the other side of the House, the right hon. member for Prince Albert (Mr. Diefenbaker), for whom I have a great deal of respect, has traditionally in the past raised questions regarding whether parliamentary secretaries should answer questions. But I have never yet heard him raise any question as to whether we have the right to ask them.

The point is that the opposition cannot have it both ways. Some members of the opposition do not want us to answer questions, and many of them do not want us to ask them in the first instance. But this is a change of rules in the middle of the tenure of a parliamentary secretary, and I do not think it is fair or reasonable to change the rules when members have accepted these posts with a certain understanding as to their rights and privileges in the House.

I ask you, Mr. Speaker, to give very careful consideration to this question. If it is the rule that we do not have that right, then I will raise a question of privilege based upon that ruling, because I think my rights as a member of parliament could be adversely affected.

Mr. John Roberts (St. Paul's): Mr. Speaker, I rise as one who is not a parliamentary secretary, although I once was and, for all I know, may be again. I rise as one who would not, even if I could, challenge the ruling of the Chair, but I take it that you have asked members who are interested to express their points of view, and I would like to take a few moments to do that. Parliamentary secretaries do have an opportunity, as do all backbenchers on the government side, through various party means to make their points of view known to ministers. That prerogative has never been used as an argument for taking away from them the right to ask questions of ministers in the House. There is a difference between the position of a parliamentary secretary and that of a minister. Ministers are collectively responsible for the presentation of government policy and programs; they speak with many voices.

Some hon. Members: Oh, oh!

An hon. Member: You're not kidding.

An hon. Member: From both sides of the mouth.

[Mr. Speaker.]

Mr. Roberts: Yes, they speak with many tongues, if you like; but they express a collective view for which they are responsible. Parliamentary secretaries are not part of the government; they are not part of the collective responsibility of the government; they are not bound by the obligation to speak with a common voice, as are members of the cabinet. Governmental responsibility, in so far as it exists, exists within the confines of the responsibilities of the minister whose parliamentary secretary one is. Outside the bounds of that responsibility the parliamentary secretary does not participate, nor does he have special access to the decision-making process of government.

But parliamentary secretaries have constituents and constituent interests which they should represent. I submit that it would be an extraordinary burden to place upon them to say they could not to be able to ask of ministers, as other members can, questions related to their constituencies or related to the interests of the country. Within the bounds of their departmental activities they do not have that right, but in the whole area of government they, as other members of the House, should have the right to ask for replies or to cross-examine ministers in the effective performance of their duties.

● (1530)

Mrs. Iona Campagnolo (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development): Mr. Speaker, with great respect I submit that if it were your intention to deny those of us who have been appointed parliamentary secretaries the right to ask questions, I would suggest it would have been a very basic courtesy on your part at least to have apprised us—

Some hon. Members: Oh, oh!

Mrs. Campagnolo: —rather than subject us to this public display of division in the House today.

An hon. Member: Nonsense.

Some hon. Members: Oh, oh!

Some hon. Members: Shame.

Mr. Fairweather: What a rude woman.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it so happens that when this issue has arisen on other occasions it has been my view that, provided they do not ask questions of their own departments, parliamentary secretaries should have at least a measure of right in the question period.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): It seems to me, however, that an issue more important than that has arisen this afternoon. I refer to the authority and the prestige of the Chair.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I join the right hon. member for Prince Albert (Mr. Diefenbaker) and others on this side of the House in protesting the fact that the President of the Privy Council (Mr. Sharp) and the

Minister of Finance (Mr. Turner) publicly chastised Your Honour—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): —and put you in the position where you seemed to feel you should listen to debate on a point on which you had already ruled.

Some hon. Members: Hear, hear!

An hon. Member: Right on.

Mr. Knowles (Winnipeg North Centre): I submit, sympathetic though I may be with the other view, and even though I may disagree with your ruling, that the question of your authority is far more important.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): For many years in this House, Speakers' rulings could be challenged and we had lengthy debates on them. But this House formally and deliberately changed Standing Order 12, so that it now reads in part:

No debate shall be permitted on any such decision, and no such decision shall be subject to an appeal to the House.

To say we are having friendly discussion of something that members did not know was going to happen does not get around the fact that what is happening today is that a decision of the Chair is being appealed. I bring to Your Honour's attention, also, the fact that in Beauchesne's fourth edition there are three comments on this point. The first sentence of citation 72—

Mr. Speaker: Order, please. I very much appreciate the intervention of the hon. member for Winnipeg North Centre (Mr. Knowles) whose reputation as a parliamentarian is so well known. I must say, however, that to put the interpretation on this afternoon's discussion that it represents an appeal or an affront to the Chair would scarcely be a fair interpretation.

Some hon. Members: Oh, oh!

Mr. Speaker: I have outlined the view I have taken this afternoon and the view I propose to take throughout this session in respect of parliamentary secretaries asking questions during the question period. I have taken that position, and it is clear. That is my view. In addition to doing that, I made it very clear that I was interested in hearing representations from hon. members and I invited that kind of discussion. The discussion could scarcely be classified in the context of an appeal or in any way challenging the Chair. I am sure it was not intended that way by hon. members.

I have taken this matter under extremely careful consideration for a long time, not only for the short time I have been in the chair but during the two years I was a parliamentary secretary. It is not a matter I have considered lightly; it is one on which I have taken a clear and definitive decision. Parliamentary secretaries who continue to rise during the question period wonder, I am sure, why they are not recognized. I think it fair to take this opportunity to make my position clear. Having done so, I think it would probably be better to get on with orders of the day.

Mr. Turner (Ottawa-Carleton): Mr. Speaker—

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, since I have already contended that your rulings must be accepted, I have to accept the opinion you have now stated, that what we are engaging in is not an appeal against your ruling. I submit, however, that since this place operates by precedent, this discussion today sets a precedent for future action. Any time a member, especially a cabinet minister, is dissatisfied with your ruling, he can stand and say, "Your Honour, I am not appealing but I want you to listen". I contend that the House Leader or the Minister of Finance cannot in this way criticize what you have done. Beauchesne's fourth edition, citation 72(1), gives the answer when it says:

The Speaker's actions cannot be criticized incidentally in debate or upon any form of proceeding except a substantive motion.

There are other sentences in that citation. The final sentence of citation 72(2) is especially important with reference to the Speaker. It reads:

His prestige would be seriously impaired if he allowed himself to argue with members on the soundness of his decisions.

And subsection (3) reads:

If a member wishes to challenge the action or conduct of the Speaker on any matter other than an appeal from his decision—

The argument now is that it is something other than an appeal.

—he must proceed by giving two days' notice of a motion on the subject and by bringing the matter up as a separate question, except, of course, if it be a question of privilege, when it may be taken up as such.

The other brief comment I wish to make is this. In accordance with the law and the arrangement we made, this is to be a day of debate on a matter which is of concern to many members of this House—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): —but the President of the Privy Council and the Minister of Finance have denied us 40 minutes of debate on that important measure, by their interventions.

Some hon. Members: Hear, hear!

Mr. Speaker: The Minister of Finance (Mr. Turner).

Mr. Turner (Ottawa-Carleton): I rise on a point of order, Mr. Speaker. I am grateful for your interpretation of the procedures that have gone on for the last 20 minutes. I want to say, through you, to the right hon. member for Prince Albert (Mr. Diefenbaker) and the hon. member for Winnipeg North Centre (Mr. Knowles) that I rose—indeed, the leader of the House rose on even more specific terms—to inquire of Your Honour whether it was a firm ruling and hoping—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): —if it were not a firm ruling, that we could argue the point. Your Honour has stated it is a firm ruling, and we accept it without question.

Some hon. Members: Oh, oh!

An hon. Member: C. D. Howe.

Mr. Turner (Ottawa-Carleton): There was no intent to provoke or to challenge the Chair, but merely to seek an opportunity to argue the question if the issue were still open.

An hon. Member: Better get the "blues," John.

GOVERNMENT ORDERS

[*English*]

VETERANS' LAND ACT

REQUEST FOR REVIEW OF TERMINAL DATE OF PROGRAM

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That this House calls on the Minister of Veterans Affairs to review the terminal date of March 31, 1975, now specified in the Veterans' Land Act, and to report thereon to the House within the time limit set out in chapter 3 of the Statutes of 1974.

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

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I rise on a question of privilege.

During the debate, I tried several times to be recognized in order to express my opinion on this important matter.

This discussion does not surprise me, because since the beginning of this session, especially, we have often heard—please note, Mr. Speaker, that I particularly wish to express my view on the matter raised by the hon. member for St. Boniface (Mr. Guay). I want to make it clear that I am entitled as much as anybody else to speak in this House.

[Mr. Turner (Ottawa-Carleton).]

Mr. Speaker, we have noted, especially since the beginning of this session, the behaviour of parliamentary secretaries who try more and more to ask questions during that period traditionally allotted to the members of the opposition.

Some hon. Members: Oh, oh!

Mr. Laprise: It is so true, Mr. Speaker, that on several occasions, some government members have asked Social Crediters to put questions to the ministers, so that they could make statements which the opposition members would not have to answer.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Thursday, March 28, 1974, this House had before it what was then known as Bill C-17, which is now chapter 3 of the Statutes of 1974, the effect of which was to extend for one year the period under which grants could be sought under the Veterans' Land Act. In closing his brief speech on second reading of that bill, the Minister of Veterans Affairs (Mr. MacDonald) said, as recorded at page 948 of *Hansard*:

I believe, Mr. Speaker, this extension will provide many veterans with the opportunity to take advantage of a program which was designed for them.

I draw attention to this final sentence of the minister's speech:

It should be made quite clear that we are not doing this as a favour to veterans but simply as a right which they have earned.

That statement of the Minister of Veterans Affairs sets out clearly the whole purpose of the debate which will take place today and, possibly, tomorrow. The purpose of this debate is to persuade the minister to stand by that statement, namely, that the provisions of the Veterans' Land Act are a right which veterans have earned. Perhaps, to be more precise, the purpose of this debate is to persuade the government to back the minister on what I believe is his belief, namely, that the provisions of the Veterans' land Act should be continued.

This is an unusual debate. It does not often happen that there is a debate on the floor of the House because an act of parliament provides that such debate shall take place. I would not contend that this is the first time in history it has happened, for—

Mr. Paproski: Mr. Speaker, I rise on a point of order. I point out that the hon. member for Vancouver-Kingsway (Mrs. Holt) is in the chamber with a recorder. I think it should be removed from the chamber.

Mr. Deputy Speaker: Order, please. I think the point is well taken. I am sure the hon. member will accede to our practice, which is against objects such as that being introduced in this chamber.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I was about to say that our redistribution legislation provides that there are times when we must debate certain matters in this House. That statute requires us to do so. Indeed, there are other statutes which provide for a similar kind of debate. But this could well be the first time debate has actually arisen as a result of the written request of the required number of members.

The amendment under which we are operating today, which was written into the Veterans' Land Act amending bill of last session, provides that if at any time after September 30, 1974, 20 or more members request that the cut-off provisions of the Veterans' Land Act be reviewed, the House shall have the right to debate a motion, asking the Minister of Veterans Affairs to review the cut-off date of March 31, 1975, which is now in that legislation. Accordingly, there was presented to Mr. Speaker on October 17 a motion in line with that provision in the act, signed by 25 members of this House. Those 25 members happen to be members of the three opposition parties. I took the responsibility for getting signatures and I sought the signatures of a number of Liberal members, but for one reason or another they did not wish to put their names on the document. I hope that in the debate today Liberal members will participate as well as members of opposition parties and will indicate to the minister their strong desire that the Veterans' Land Act shall not die on March 31, 1975.

Let me go back to another bit of recent history. There is a long history behind the Veterans' Land Act and I suspect that my colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), who seconded this motion, will recite some of the earlier history and some of the promises made in years gone by. But I should like to remind hon. members of the House of a few things that happened within the last year. In the latter part of 1973 it became obvious that many veterans were disturbed because the Veterans' Land Act would expire on March 31, 1974. Many questions were asked of the Minister of Veterans Affairs in the House of Commons. His answers always reflected his genuine sympathy for the veterans of Canada: There is no gainsaying that. Still, his answer as to whether the Veterans' Land Act would be extended beyond March 31, 1974 was always "No".

A year ago this week, on Friday, November 9, 1973, we had one of those rare occasions when a motion presented under Standing Order 43 was allowed: there was unanimous consent for it. It was a motion of mine, again seconded by my hon. friend who is seconding my motion today, the distinguished and gallant member for Humber-St. George's-St. Barbe. The motion, as recorded at page 7693 of *Hansard* for November 9, 1973, reads as follows:

Veterans Affairs

That this House requests that the Minister of Veterans Affairs give urgent consideration to the amending of the Veterans' Land Act regulations to permit veterans to acquire smallholdings, even if the main purpose of most of the older veterans now applying for loans under the Veterans' Land Act is to meet their housing requirements, it being the view of this House that entitlement to a piece of this land ought to be the right of any veteran.

Hansard then records:

SOME HON. MEMBERS: Hear, hear!

I recollect that that "Hear, hear" was expressed in generous applause. Motions under Standing Order 43 are usually denied. The Speaker made sure of its acceptance before he put it: he asked twice if there was unanimous consent. There was no opposition. Then *Hansard* records the following:

MR. SPEAKER: I believe there is unanimous consent. Therefore I will put the motion. Is it the pleasure of the House to adopt the said motion?

SOME HON. MEMBERS: Agreed.

Motion agreed to.

● (1550)

That was the action of the House of Commons on Friday, November 9, 1973, at which time we said unanimously to the Minister of Veterans Affairs (Mr. MacDonald) that we wanted the Veterans' Land Act to be continued and, in particular, that we wanted consideration to be given to veterans making application for loans under the act even though the main purpose was to meet their housing requirements.

In the weeks that followed, we earnestly hoped that favourable action would be taken in response to this unanimous request by the House of Commons, but the questions which were put to the minister from time to time did not elicit a hopeful response. On January 11, 1974, the hon. member for Humber-St. George's-St. Barbe sought to put a motion under Standing Order 26. Permission was denied. He then put a question to the minister asking whether the view of the House expressed on November 9 would be acted upon. The minister's reply, while courteous and sympathetic was, nevertheless, quite clear—the Veterans' Land Act would not be continued beyond March 31, 1974.

Members who were in the last parliament will remember vividly—I certainly do—developments in the month of March. On Tuesday, March 12, my hon. friend from Newfoundland moved a non-confidence motion on this issue. That motion really put things into a tizzy around here. The motion said things with which practically every member of the House agreed. At the same time, it raised the question whether there would be an election over the issue—whether the government would be defeated, in which event the Veterans' Land Act would not, in any case, be extended beyond March 31, 1974. We in this party made it clear that we agreed with the words used in the motion, and that if the government refused to do anything about the issue we would vote in such a way as to bring the government down; but that if the government were prepared to bring in the necessary legislation to extend the Veterans' Land Act, we would vote in such a way as to keep the government here so that extension could be implemented. During the course of the debate on March 12,

the minister stated his position. It is to be found at pages 434 and 435 of *Hansard*. He said this:

> The motion before the House today asks that the government consider the possibility of extending the March 31 deadline for qualified veterans to apply under the Veterans' Land Act. In case there should be any doubt left in somebody's mind, I wish to emphasize at the outset that I am quite prepared to give such an undertaking right now.

Later, the Minister of Veterans Affairs said, again:

> If, after looking at all the evidence, I can conclude that the deadline should be extended, then I would be prepared to so recommend.

Again, on page 435, the minister had this to say:

> Since this motion has been brought forward, I am certainly glad to listen to the discussions today. In the light of these discussions, I will be happy to consider the whole matter again and to make a recommendation to the government.

That was the story. There had been months of refusal on the part of the government. I think I am justified in saying "the government" rather than "the minister" because some of us are aware of the conflict the hon. gentleman has with other members of the cabinet. But for months we met with a refusal to extend the act beyond March 31, 1974. We thought our unanimous motion of November 9, 1973, had done the trick. But it hadn't. However, the motion the hon. member for Humber-St. George's-St. Barbe put down on March 12 did result in a firm promise by the minister that the matter would be considered.

That was on March 12, and the deadline was March 31, so things had to move quickly. Sure enough, on Tuesday, March 26, 1974, as noted at page 856, the Minister of Veterans Affairs rose and made a statement on motions to the effect that he was giving consideration to the whole matter of extending the act and that the necessary bill would be brought in right away. It was. On Thursday, March 28, 1974, we gave that bill second reading, consideration in committee of the whole, and third reading; and we passed it and sent it to the other place.

I regard all of this as one of the highlights of the minority parliament, one of the major accomplishments of the Twenty-ninth Parliament of Canada; the fact that we got the government to change its position with respect to this one feature of the Veterans' Land Act, namely, that it was to expire on March 31, 1974. The bill which this House passed on Thursday, March 28, 1974, extended the life of that legislation by one year, so that it now expires on March 31, 1975.

I refer again to the fact that when we were in committee of the whole on that bill, Bill C-17 of last session, now chapter 3 of the Statutes of Canada of 1974, I moved an amendment which would permit the matter to be raised again after September 30, 1974. That proposal was not only passed by the House but the minister himself, speaking in the debate on the amendment, said he and the government welcomed it. The only conclusion I can draw is that he welcomed the possibility that in the fall of 1974 the discussion would again come forward. I trust he still does. In any event, the motion was carried unanimously, it was written into the law of the land, and it is on the basis of that provision in the law that today's debate is taking place.

The only thing the House can do in this debate, formally and officially, is to ask the Minister of Veterans Affairs to review the question of the cut-off date, now March 31, 1975, and report back to this chamber on the result of his review within 15 sitting days after this motion is passed by the House. In a few moments I want to refer to some of the other things I believe the minister should consider as well. But that is what the motion asks for, since by law that is all we can ask for at this time. I plead as strongly as I can that the House pass this motion. Passing it will not extend the Veteran's Land Act; it will not make any other change. But it will say to the minister that we want this matter reconsidered.

● (1600)

Last time we went through this, Mr. Speaker, the government was in a minority position. When the parties in opposition made their position clear, they carried some weight. The government wanted to be in a majority position so that it could do the things it wants to do. Well, it is in that position now, and I submit it has all the authority it needs to take action on the Veterans' Land Act. I hope members of the House, in all parties, will express the same views that they expressed last year, namely that this matter should be reviewed and the act extended.

Certainly, I would feel that if the motion were opposed, that if members on the government side were to do the unthinkable and vote against the motion, it would put in doubt the motives of a year ago when a minority government went along with what we were seeking. The more I sit and listen to the minister in the Standing Committee on Veterans Affairs, the more I am satisfied that his sympathies with the veterans are genuine and that he is fighting for them in his department and in the cabinet. I think we owe to this minister the support of the House of Commons, and we can give it to him today or tomorrow, whenever this debate comes to a conclusion, by voting unanimously for this motion.

Now, sir, I have said that so far as the actual motion is concerned, all it can do is request the minister to review the March 31, 1975, cut-off date. I want to ask that he look at other things as well, and I suspect that most of those who will take part in this debate will do the same thing. I think he should take another look at the provision that set October 31, 1968, as the last date by which one could get a qualification certificate to get a grant under the Veterans's Land Act. I feel very strongly that this provision should be reviewed.

I believe the amount of money available as a loan under the Veterans' Land Act, which is fixed at a maximum of $18,000—less 20 per cent which the veteran must have, so it is really only $15,400—is unrealistic and unreasonable in light of today's costs. I also think the whole question of the size of lot that has to be obtained should be reviewed. In saying these thing I am admitting, indeed asserting, as all of us do, that times have changed and that although the Veterans' Land Act originally had in mind those veterans who wanted to go on smallholdings and do a bit of farming, raise a few carrots and potatoes if you will, what most of the veterans are wanting now is a piece of land on which to build a home and retire. I do not think it is an argument against extension of the rights under the Veterans' Land Act to say that is all the veterans now want. As we said in our motion of November 9, 1973, "it is the view

of this House that entitlement to a piece of this land ought to be the right of any veteran". So I hope the minister will look at these other provisions to which I have referred, as well as the cut-off date.

If the Minister of Veterans Affairs has an alternative, if he is going to come in with a veterans' housing program that is equal to what we are asking for under the Veterans' Land Act or even better, then I will applaud him to the skies. In fact, I dared to hope that the 15 days' notice that we had to give of this motion and this debate might even have given him time to upstage this debate, and I wondered day after day whether he was going to stand up on motions and announce a veterans' housing program. If he gets up today and makes this announcement, the debate will not take two days; it will end almost momentarily. But if he is not prepared to do that, this House, as I say, will have to continue to debate the motion and the debate may become a struggle on the part of some of us to persuade all members of the House to back the minister, even if it is backing him against his cabinet colleagues, by voting unanimously for the motion and asking the minister to undertake the review that is asked for in the motion.

When the question of the Veterans' Land Act comes up, there are those who argue that its purposes have changed, that the veterans knew the law regarding the October 31 date, and so on. But there are veterans who feel that these arguments do not hold water at all. I should like once more to quote a few sentences from a letter written to the minister on January 28 of this year by Mr. E. F. Heesaker, dominion president of the Canadian Corps Association. The letter had to do with the extending of the March 31, 1974, deadline, but Your Honour and others will see immediately that it refers to the question on a long-run basis. These are some of the sentences in Mr. Heesaker's letter:

> We would like to point out here that there were many veterans who were not aware of the Veterans' Land Act or the university training program until after they had used up all their re-establishment credits. And, of course, they had to refund their re-establishment credits before they could become eligible for Veterans' Land Act benefits. So they were not trying to take advantage of two forms of rehabilitation, they were merely changing one for the other after they had learned of the existence of the Veterans' Land Act.

That, of course, is in response to a statement that on occasion the minister has made, to the effect that some of these veterans were trying to get more benefits than they were supposed to obtain. Later in his letter Mr. Heesaker has this to say:

> You say that you are satisfied that the vast majority of veterans who hold Veterans' Land Act qualification certificates simply took the precaution of obtaining such a certificate before the deadline of October 31, 1968.

Then, says Mr. Heesaker:

> This is just like the precaution they took in 1914, and again in 1939, to ensure that no enemy soldiers set foot on Canadian soil, except as a prisoner of war. However, they were not so cautious with their own personal safety.

There are just two more sentences in Mr. Heesaker's letter to the minister that I wish to read; they express the view of most of us in this House:

> In view of the above facts, we believe that a veteran should be eligible for benefits under the Veterans' Land Act until the day he dies. He offered his life in a time of crisis and this is little enough to give him in return.

I have already said that getting the deadline extended from March 31, 1974, to March 31, 1975, was an accomplishment of the twenty-ninth parliament. There should be no deadline at all on any veteran's right to assistance from this country to enable him to get a piece of land on which to have a home, even if it is only for the purpose of having a home in which to retire. If that is going to be realized, then we must do something about the October 31, 1968, cut-off date for obtaining qualification certificates. We also must do something about the amount of the loan, as well as about the size of the lot it is permissible to obtain under the Veterans' Land Act.

In my view, this is a very important issue. I am proud of the fact that this unusual procedure of our having a debate because a statute of parliament says we can have it happens to be on this subject, a matter of concern for the veterans of this land. I think it is significant that we are having this debate on the days just before Remembrance Day when most members of the House are wearing Remembrance Day poppies. I hope we will, in the course of this debate and by our decision on the motion, take a stand for the rights of our veterans that will support the Minister of Veterans Affairs in his battle inside the cabinet in attempting to do what these veterans are seeking. On their behalf, we seek either an extension of the Veterans' Land Act or a veterans' housing policy that will give those who served Canada the rights they have earned, the rights they really deserve.

● (1610)

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, since I have been here, when we have had questions on veterans affairs I have had the privilege of speaking before my friend, the hon. member for Winnipeg North Centre (Mr. Knowles). I am pleased to follow him now, and I commend him for his keen knowledge of the rules which brought about this debate on the motion we are considering today and shall be tomorrow. I am pleased to follow him because he allowed me to collaborate with him in seconding the motion he filed a few days ago. I am also pleased that the proposal has reached this stage—this was brought about and alluded to by the hon. member for Winnipeg North Centre—as a result of a non-confidence motion I introduced on behalf of my party on March 12 during the last session, a motion which had the effect of extending the expiry date of the Veterans' Land Act for one year. I know I am going to be repetitive, as I agree wholeheartedly with the hon. member for Winnipeg North Centre, but I think we must perhaps, during this one last opportunity we will have, repeat and repeat the need to correct a wrong.

The motion today is a very simple one which merely asks that the Minister of Veterans Affairs (Mr. MacDonald) review the terminal date and report back to the House within 15 days of the date the motion is approved by the House, with or without amendment. There should be no problem in having this motion accepted. I appeal to all members of the House, particularly those opposite, to support the motion. Having had the opportunity of reflecting on the events which have followed since last March, if I could have the opportunity again, my motion would then have read "that the government should repeal section 31 of

the act"—that section which set the deadline of October 31, 1968, as the termination date for veterans who wish to qualify, and March 31, 1974, as the deadline for applications for those who were qualified and which through Bill C-17 was extended to March 31, 1975.

As it would have turned out, acceptance of that motion would have opened up the fact indefinitely and would not have necessitated this debate today, about which I am sure the government is not happy in any case. Little did I realize at the time just how much effect that motion could have had on the parliament of the day. Strategically, if it had been passed it would have defeated the government earlier and no doubt the historical events which have followed might have been different.

My main purpose, however, in having the motion presented was that I was sure the expiration of the deadline for the Veterans' Land Act was wrong, and I was confident it would have been supported by every member who sat here at that time. I am just as sure at this very moment that it would be wrong to phase out the act by March 31, 1975, and I will be just as sure when that time comes that it will be wrong, unless of course we can find a means of having the act further extended. It is not only wrong but, as I have said many times before, approval by this parliament for setting the deadline in 1965 was wrong, because by so doing the veteran citizen of Canada was denied a right. We broke a faith which had been given to veterans, and reneged on a commitment made to veterans by the government of the day and parliament. So it is with the greatest respect to those who sit here today, and who sat in the parliament in 1965, that I say we have all voted on many things that may be found to be wrong when time passes.

The government opposite uses the excuse, time and time again, that this parliament accepted the decision to set these deadlines, but there have been many laws passed by this parliament over the years that have been amended time and time again to meet changing conditions. We need go no further, in giving examples of changes in legislation, than the Veterans' Land Act itself. It was passed in 1942 with an original ceiling of $4,800. This was progressively increased to $40,000 for full-time farmers and $18,000 for small family farmers, commercial fishermen and smallholders. The repayment period has been extended from time to time to the present 30 years.

Even after 1959, when a time limit of 15 years was set after September 30, 1947, or after the veteran was discharged from the armed forces, the new Bill C-80 in 1962 was introduced to extend the date to October 31, 1968. Then in 1965, by Bill C-128, the additional section was introduced establishing the terminal dates I mentioned previously. Nor do we need go any further than the present Bill C-4 to amend the war veterans' allowances and civilian war pensions. This measure has been amended at least half a dozen times since I have been here, which indicates that the government realizes the need for change as a result of inflation and as a result of representation from veterans' groups and members of this House.

The bill which we passed for second reading is an excellent one and the government has been commended for it. Furthermore, Canada can be proud of it. So why is there a big hang-up in admitting that parliament was wrong in setting the terminal dates in 1965? Is it a crime to admit that you were wrong? Just think of the commendation the government would receive across the country if it were to extend and improve the measure as we are suggesting. Before I wander too far afield I should like to get back to this motion. I think it is important to point out a very significant feature; that is, that regardless of what happens, members of parliament in opposition can effect changes in the direction of government legislation if they feel it is in the best interests of the people they represent.

[Mr. Marshall.]

In the last year we were able to force, through our rules and procedures, an extension of one year to the Veterans' Land Act. The amendment subsequently introduced by the hon. member for Winnipeg North Centre gave us the opportunity to demand this debate, and the government, even in its majority position, and inasmuch as it did not want it, had to accept it. In this regard, Mr. Speaker, you are to be commended for your decision to allow the debate. At least this gives us some hope for our democratic process. Perhaps after some sincere thought on the part of the government we will succeed in correcting a grave error, made some nine years ago, by bringing in amendments to the present bill to improve the inequities which exist, or by bringing in a new bill in respect of housing to meet the needs of our veterans.

The acceptance of this motion will not hurt anyone, let alone the government. All we are asking is that the minister review the bill and the expiry date. This will give him an opportunity to consult with veterans' organizations and, hopefully, he will agree that the matter should be referred to the Standing Committee on Veterans Affairs, where we can call witnesses to get their views and thoughts on the subject. Although 15 days does not give much time for review, I am sure the minister has given enough consideration to the many questions we have asked him over the past couple of years. As a result, in reply to the majority of questions I have asked his only answer has been that he has the matter under consideration.

If I might digress for a moment, down in the maritime provinces, in Prince Edward Island, Cape Breton and Nova Scotia, there are so many MacDonalds with the same first name that they have to give them nicknames to distinguish one from another. In view of the number of times the minister has said that my questions were under consideration, I think they should call him Dan "consideration" MacDonald. I think the minister has received enough representations in the past month and has done enough considering himself to make a decision now. But in case this is not so, let me give him some of the representations that have been made to me. In my responsibility for veterans affairs on behalf of my party, I published an article in most of the newspapers in Canada. Although much of it might be repetitive, I use my prerogative to record the article in *Hansard* because it places in context how we feel about the government's direction to phase out the act. I quote from the article as it appeared in the Ottawa *Citizen*:

● (1620)

The government's recent decision to phase out the Veterans' Land Act by March, 1975, can only be regarded as a serious breach of a commitment made many years ago to Canada's veterans.

In 1917 before Vimy Ridge, Sir Robert Borden, then prime minister of Canada, assured Canadian troops:

> 'The government and the country will consider it their first duty to see that a proper appreciation of your effort and of your courage is brought to the notice of your people at home, and it will always be our endeavor to so guide the attitude of public opinion that the country will support the government to prove to the returned men its just and due appreciation of the inestimable value of the services rendered to the country and empire, and that no man, whether he goes back or whether he remains in Flanders, will have just cause to reproach the government for having broken faith with the men who won and the men who died.'

But how easily we, as Canadians, forget. Our changing society has brought us to a point where, now, our veterans are treated with somewhat less than the consideration they deserve. And while we take our affluence for granted, we also fail, in our complacency, to realize just why we have become a great nation.

Canada has been involved in three wars—and in each, men volunteered, served and died to protect this country. We remember these men on November 11 each year. But we are failing, in the process, to give just consideration to the thousands of men who served and who returned. We choose, instead, to treat these men apathetically.

It might be more convenient for the government to phase out the Veterans' Land Act. But its elimination will destroy a principle of justice and commitment that will only serve to dilute those things we hold dear as Canadians.

Phasing out the Veterans' Land Act is a breach of faith that will deny a great majority of the 140,000 certified veterans their right to compensation for services to this country.

The Minister of Veterans Affairs says it will cost $50 million to continue to administer the act. The figure is ambiguous because he is using it to reflect loans which come back to the government at the rate of $26 million per year.

The Veterans' Land Administration, comprising approximately 400 to 500 public servants, will be employed to administer the act until at least 1980 and probably many years beyond that. In contrast to the minister's statements, administrative costs are approximately $7 million a year. Continuation of the act will likely require another $1 million a year.

The Minister of Veterans Affairs says that many veterans are failing to take advantage of the act, but he has chosen to camouflage the real reason why. The fact is that under the present regulations, a veteran must purchase a one-half acre lot, in some cases less 20 per cent, but can borrow only $15,400 to meet the cost.

Today's skyrocketing housing and land costs prohibit most eligible veterans from meeting these requirements, and therefore, from taking advantage of the act. And, as a further injustice, the Veterans' Land Act has not been altered to meet inflationary demands even though improvements have been made, in this regard, to the National Housing Act and special housing programs for minority groups are improved from time to time.

The government also uses the argument that in 1965 parliament amended section 31 to restrict certification and qualification. But the government fails to perceive that parliament's passage of the amendment might have been wrong—which it was, in my opinion.

If justice is going to be served, the Veterans' Land Act must be preserved with the following amendments:

> Repeal of section 31 of the VLA which set deadlines of October 31, 1968, and March 31, 1975, for certification and borrowing.
>
> An increased mortgage loan ceiling from $18,000 to $35,000.
>
> A reduced lot requirement from one-half acre to that size commensurate with the requirements of the municipality in which the veteran decides to purchase.
>
> A revised downpayment from the present $2,600 to 5 per cent of the loan, as available under some present National Housing Act requirements. Freedom for the veteran to choose the type of housing best suited to his needs, such as, perhaps, a mobile home, or a condominium at a locale of his choice.
>
> Authorization of a survey in all parts of Canada to determine the standard of housing of those veterans on fixed incomes.
>
> Introduction of a program to provide rehabilitation grants, with forgiveness factors, to allow veterans to bring their homes to a reasonable standard of comfort.

Since I had this article published my priorities have changed, because I find across the country that many veterans of fixed incomes such as the War Veterans Allowance, disability pensions, and so on, who are living in their own homes cannot afford, at today's cost, to fix up their homes in order to make them reasonably comfortable. I want to thank the newspapers which published that article, even the Vancouver *Sun* which called me Jack Smith. I might say the response was overwhelming, and it pleases me that even at this late date our news media recognize the importance of some 900,000 veterans besides the additional million or so widows and children. Sometimes I become frustrated over the lack of attention shown by the press to veterans affairs in the House and in the committee proceedings. An exception to this is the Canadian Press, which I thank sincerely.

Let me give the minister and his government some food for thought. I shall quote from some of the representations I have received and which, in many cases, he has received as a result of this message. I shall skip the first representation because the hon. member for Winnipeg North Centre referred to it. That was the representation from the Canadian Corps Association. There is another organization which presented a representation, the Federation of British Canadian Veterans of Canada. I shall not read the preamble. That association states:

> 1. The Veterans' Land Act should be extended indefinitely.
>
> 2. The Limits of Veterans' Land Act mortgages should be increased to 90 (ninety) per cent of the full property value.
>
> 3. That the qualifications date for the Veterans' Land Act should be reopened for an indefinite period.
>
> 4. The benefits of this act should be made available to all members of the permanent force, domiciled in Canada prior to enlistment.

That representation is dated October 21, 1974. All of us who say that this act has outlived its usefulness, and that no one is interested in it, should think again. Another representation from the Royal Canadian Legion states that at the twenty-fifth dominion convention held in St. John's, Newfoundland, June 2 to June 6 this year, the following resolution was passed:

> Therefore be it resolved that legislation be enacted—(1) to provide for the reopening of the October 31, 1968, deadline for one year, to enable those who missed the earlier deadline to qualify—

They refer to the establishment of the act and also to the fact that it should cover those qualifying veterans who are still serving in the armed forces, and that they should be granted one year after discharge in which to make settlement arrangements. They refer to extending the deadline to December 31, 1978. In their representation, they also ask that loans under part III of the act be increased and that the statutory ceiling on the Veterans' Land Act fund imposed under section 6(4) of the act be removed or substantially increased. They say that their resolution was sponsored by branches in all ten provinces, which indicates the great interest within the Royal Canadian Legion in this important matter. That refers to 410,000 legionaires. Let me refer now to a few individual letters. I have before me a letter which reads:

> I would like to draw to your attention the fact that among those now to be denied the benefits of the Veterans' Land Act are the serving

veterans. As of last year there were some 2,700 eligible and qualified veterans still serving in the Canadian forces.

It is not generally known that, until very recently, we were denied the benefits of the Veterans' Land Act. The Minister of Veterans Affairs required certification that we would serve to retirement in the location where application was made. The Minister of National Defence could not give any such guarantee and as a result the serving veterans could not build a home. Now many serving veterans are posted abroad to Europe or on peacekeeping duties or are serving far from their intended place of retirement. The firm opinion of the serving veteran is that there has been a deliberate breach of faith by the Minister of Veterans Affairs.

Recent casualties to Canadian forces members in Cyprus and Syria should serve to remind everyone of the nature of our commitment. No government should, in my opinion, be so unwise and shortsighted as to breach its commitments to those who served in war.

● (1630)

I have here a letter from the Canadian Fighter Pilots Association which reads in part as follows:

As a veteran of more than five years in the RCAF during World War II, I have maintained my qualifications to settle under the VLA. Now, as I reach my halcyon years, the need for financial assistance is just as real as it was in 1945.

It is apparent that this present profligate government is cheeseparing. VLA loans are not a give away program—such as LIP—but an investment of money with protected collateral.

Then he makes a reference to a nearby airport which will cost $1.5 billion. He goes on to say:

Yes, Mr. Marshall, I would like to be involved and offer you support.

This is indicated in every letter, all of them dated within the last month. I have here a letter that was sent to the Ottawa *Citizen*, which reads:

I am a serving veteran, registered and eligible for VLA consideration. I am presently serving at Canadian Forces Base Edmonton (Namao). Because of my present posting I am unable to take advantage of the VLA act to purchase a home in my chosen place of retirement—

I think the article should be sent to every Main-Brace Club, Canadian Legion and Air Force Association across Canada.

Then he says that he is grateful for the efforts made. I am quoting these letters, Madam Speaker, because they tell the facts better than we can. If we told the facts, nobody would believe us. I have here another one which reads:

There must be many veterans like myself who, of necessity, have lived in urban areas since the war ended and have not been able, for one reason or another, to use the benefits provided by the act but who look forward to retiring to a small town area. If the act is cancelled, those dreams go up in smoke.

That veteran speaks about the changes that he wants in the act, and says that he referred his proposals to his member of parliament who sits on the other side and is aware of them. Here I have just one paragraph of a letter from someone in Saint-John, New Brunswick. He writes as follows:

As a certificate-holding veteran I have been most frustrated in trying to build a home under the VLA. At this point I own a lot of 18,000 square feet on which I had hoped to build but there is such a difference in the cost of construction and in the allowable ceiling that I am unable to take advantage of the plan.

The cost of construction in this region is very high and I cannot see building the house I want and require for less than $50,000—which is over and above the cost of the lot already paid for—which, incidentally, cost $7,000.

The lot cost $7,000 so how can he build a home with $15,400 after he had paid $7,000 for the lot? I have many more letters, which I am picking at random, all supporting that stand and all asking the government to prolong the act, to increase the loan ceiling and to overcome the many inequities. The minister indicated in committee that he had an interdepartmental committee working on a new housing program for veterans. This committee must be progressing and I hope the minister will introduce its report before these two days are over. I had hoped he would have done it yesterday, because the government wants to use the time today and tomorrow for other legislation.

The other thing at which I am surprised is the secrecy involved here. We have always gone along with bills which benefit veterans. We in the veterans committee are known for non-partisanship. Last year I put forward a motion for the production of papers, asking for a copy of all material resulting from the first meeting of the VLA senior management team convened by the director general of Veterans Land Administration in Ottawa which took place from March 26 to March 29, 1973. I asked for, first, operational plans in the periods before and after the 31 March, 1974, deadline for new loan applications, and second, further implementation of management by objectives as the VLA style of management. So somebody must have been considering it over a long period, and for some reason or other the documentation was considered secret or classified and I was denied it. So I put the notice of motion on the order paper again this year and I hope that we will see it tabled.

The Veterans Land Administration consists of 400 to 500 dedicated experts in the housing area who are veterans. They are doing yeoman work, not only in handling accounts for veterans but also in giving advice and service to the Department of Indian Affairs and Northern Development and many other departments. They will continue their services until 1980. So why phase out this act when so much can be done? Under part II of the act, a veteran does not have to be qualified and he can build on a city-size lot. But how can he do it if he can only borrow $18,000 and has to make a downpayment of $2,600? Let us not lose these people; let us continue to serve our veterans, who number 20,000. They are settled and happy and are allowed to improve their homes by having their loans increased periodically. Why should we deny them that?

I could refer to many hundreds of letters and phone calls which I have received, directly regarding the feelings of many more veterans than I thought were concerned. I am confirmed in my thinking that there are enough veterans across this country who demand a change in the government's intention to phase out the act. Many of my letters are copies of those submitted to the minister and to the Prime Minister (Mr. Trudeau), and copies of many of those sent to me have been sent to other members of parliament, some of them sitting on the other side. If we believe in the democratic system, if we believe that our government and the members of this House are truly representative of the people, then we can do nothing less than support this motion.

Some hon. Members: Hear, hear!

Mr. Marshall: I say to the government opposite that if they have an ounce of Canadianism in their souls, if they

have any sense of consideration for our comrades and their colleagues on our side who want to support this motion—those who receive letters every day from their veteran constituents—and if they have any consideration for their colleagues who want to support this motion but probably will be commanded not to, they must support the motion. It will not hurt anyone, but, on the contrary, will help Canadians.

If the motion does come to a vote, the government should allow it to be a free vote in order to give all hon. members the opportunity to vote as they feel they should and not as they are commanded to; because if not, it will always remain on their conscience that they failed the veterans of Canada who fought for their country, not only those who lived and returned but those who remained in graves in other countries after fighting on behalf of Canada, and did not return.

[*Translation*]

Mr. Eudore Allard (Rimouski): Madam Speaker, I listened with pleasure to the two previous speakers and studied with interest the motion of the hon. member for Winnipeg North Centre (Mr. Knowles) for extending the delay allowed in October 1973 to veterans' applications for land purchases. As the period was normally supposed to end on March 31, 1975, I think, Madam Speaker, that it would be advisable to cancel that deadline, or at least to extend it for another 5 years. This additional delay would allow veterans who, for different reasons, were not able to avail themselves of certain advantages provided by the legislation, to benefit from a further delay.

I often wondered why the government wanted so much to end this program in March 1975. All things considered, none of the veterans, to my knowledge, imposed conditions for his presence on the battlefields or for the length of wars in which he so courageously fought and sacrificed the prime of his life. In wartime, our governments are prepared to grant anything for the defence of our freedoms. Unfortunately, when the trouble is over, the same governments forget, or seem to, all the sacrifices that were demanded of our brave soldiers. Once back in their country, the soldiers must keep on fighting, this time against those they so valiantly defended.

Madam Speaker, those are the reasons why I ask that the legislation remain in force for at least another five years and I gladly support the motion of the hon. member for Winnipeg North Centre.

● (1640)

[*English*]

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Madam Speaker, before I begin my remarks I should like to refer to an assertion by the hon. member for Humber-St. George's St. Barbe (Mr. Marshall) that veterans who served in the war and are now serving overseas were denied the privilege of being entertained by VLA. I should like to inform the House that this is not a true statement. My department sent people to foreign lands to make presentations to the veterans who were serving with our forces overseas: they were very well received. Many veterans thus had the opportunity to establish a home in the area they desired. I also wish to thank those serving overseas for that opportunity. I should like that to be known by this House.

Madam Speaker, I would like to begin my remarks by stating that the review requested by the motion which is before the House has already been carried out. I stated in the House on October 7 last that the whole question of the Veterans' Land Act was under careful study by the government. I think it appropriate that I outline a number of the factors which were of principal importance and relevance to this study. Some hon. members may not be aware of the fact that the Veterans' Land Act was enacted as a rehabilitation measure to assist veterans to engage in farming on a full or part-time basis following their discharge from active service in World War II. This is clear from the following sections of the preamble to the act:

> Whereas many men now serving in the active forces of Canada have recorded their desire to settle on land or engage in farming when hostilities cease, and it is desirable that suitably qualified veterans be encouraged to seek rehabilitation in the agricultural industry;
>
> And whereas part-time farming coupled with other employment is an increasingly important aspect of rural and semi-rural life in Canada;
>
> And whereas it is in the public interest as a measure of rehabilitation to assist in acquiring the ownership of farm homes by qualified veterans;
>
> And whereas it is the purpose of the dominion government to provide a measure of financial assistance to veterans on their performance of prescribed settlement conditions in order to promote their engaging in agricultural pursuits either as a full-time occupation or as a part-time occupation coupled with some other employment.

The original purpose of the act has been amply fulfilled. By March 31 next, 30 years will have elapsed since the end of World War II. After such a lengthy period of time, it is difficult to contend that there is any continuing need for the act to assist veterans to rehabilitate themselves for a career in civilian life. In this connection, I would remind hon. members that the act was one of three alternative rehabilitation plans. The university training plan was concluded in the mid-fifties. The re-establishment credit program terminated on October 31, 1968. The periods in which these two other alternative measures were available were considered to be adequate and appropriate. It seems evident that parliament had the same opinion about the Veterans' Land Act when it gave unanimous approval in 1965 to the establishment of a terminal date for phasing out new settlement in an orderly manner over a span of nine years. By next March, that period will have extended to ten years and, as I stated earlier, 30 years since the end of World War II. Any veteran seriously interested in settling on the land has had ample time to do so.

[*Editors' note: See page 1089 for section of speech omitted at this point*]

Earlier in my remarks I referred to the agricultural orientation of the Veterans' Land Act. It was on the basis of that concept, and on the experience of the Soldier Settlement Act, that the benefit provisions and other terms of the Veterans' Land Act were premised. With respect to land settlement in the post-World War II years, there is no question that the original concepts and provisions were sound and invaluable to the successful establishment of the many thousands of veterans who elected to seek rehabilitation in civilian life under the VLA program. However, with the technological socioeconomic and other

changes that have occurred in the past decade or more, I do not believe those concepts and legislative provisions are relevant today—particularly when the principal, if not the only, desire of veterans is to use the act as a means of acquiring a retirement home, mainly in urban areas.

It is really unnecessary for me to point out that such use is inconsistent with the purpose and intent of the legislation, as well as being irrational in relation to the premises on which the financial provisions of the act were developed. In all the circumstances, Madam Speaker, and after the most serious further study of this matter, I wish to state that it is not the intention of the government to introduce admendments to extend the lending deadlines which are contained in the Veterans' Land Act.

An hon. Member: Shame!

Mr. MacDonald (Cardigan): I expressed the view a moment ago that an urban housing program for veterans who have reached or are approaching retirement from post-war careers is inconsistent with an agriculturally-oriented rehabilitation program which was designed to assist veterans following their discharge from wartime active service. This is not to say that many low or modest income veterans do not have needs in respect of housing. On the contrary, it is realized that many do and that their requirements or preferences are varied in nature. It is in recognition of that awareness, and of the greater relevancy of the provisions of the National Housing Act to those needs, that a study has been undertaken to examine whether special arrangements should be made to assist such veterans. Because discussions are still in process, I am not in a position to comment further at this time. I am hopeful, however, that it will be possible for me to do so in the not too distant future.

Mr. Forrestall: Why don't you extend it until the study is completed?

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

The Acting Speaker (Mrs. Morin): Order. Before recognizing the hon. member, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Saint-Hyacinthe (Mr. Wagner)—Immigration—The consequences of expulsion from Canada of Haitians—The attitude of the minister; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—The Canadian economy—Maritime provinces—Alleged gloomy economic forecast by Public Works Department—Participation by Department of Regional Economic Expansion; the hon. member for Vancouver South (Mr. Fraser)—Urban affairs—Land assembly—Request for measures to assist municipalities retain green spaces.

[Mr. MacDonald (Cardigan).]

• (1650)

GOVERNMENT ORDERS

[*English*]

VETERANS' LAND ACT

REQUEST FOR REVIEW OF TERMINAL DATE OF PROGRAM

The House resumed consideration of the motion of Mr. Knowles (Winnipeg North Centre):

That this House calls on the Minister of Veterans Affairs to review the terminal date of March 31, 1975, now specified in the Veterans' Land Act, and to report thereon to the House within the time limit set out in chapter 3 of the Statutes of 1974.

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, I should like to congratulate the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and the hon. member for Winnipeg North Centre (Mr. Knowles) for their excellent presentations and for the hard work they have done on behalf of Canada's war veterans in the past several years. I do not intend to speak at great length. I am sure the legitimacy of my views will be demonstrated by the large number of hon. members who share them. First, I would like to say that I am thankful for the opportunity to speak on this issue and grateful to my colleagues who have reopened this debate, for they appreciate the necessity for changes in the current legislation. And changes there must be, not only to the terminal date of March 31, 1975, but also to a number of other limitations in the bill. One change by itself would be useless.

First of all, if the intent of the act is to assist veterans in settling and building a house in Canada today, then the land size requirements and the limits on loans are ridiculous. The Canadian who can buy half an acre of land and erect an inhabitable dwelling on it for $18,000 would be unique, and awfully lucky, in view of the tremendous rise in building materials' and all other costs in the last six years under this government, a government that is apparently set against an increase in the loan ceiling for our veterans. Past members of the Canadian armed forces, even if trained in the area of real estate to the degree the Minister of National Defence (Mr. Richardson) envisages for present members of the forces, would find this an impossible task.

There is evidence of this fact in the 5 per cent over-all decrease in new house construction in the last fiscal year, compared to the previous year, and the 25 per cent reduction in Ontario. Suitable land cannot be found. The lot requirement of half an acre must be lowered to a reasonable size in relation to today's needs and land prices.

When one considers the unprecedented inflation rate prevalent since the last loan limit increase, I do not think there can be a case argued against raising this limit substantially. In order to stay in step with today's costs, I believe a ceiling of $30,000 is much more reasonable than the present limit and is, in fact, very necessary.

One of the main reasons for there being such a large number of veterans who have not applied for loans under the Veterans' Land Act is the simple fact that the terms were much too limiting for many of them to take advan-

tage of the loan offer. Suitable land in favourable areas was just not available, hence the fact that 150,000 veterans who are certified eligible for loans have not yet applied. In order for these people to receive the benefits of this program, the application deadline of March 31, 1975, should be extended or lifted.

There is one further deadline that bears scrutiny. I am sure all the hon. members know the one to which I refer, which is the October, 1968, deadline for certification of eligibility. There are a number of reasons for this to be repeated, such as the number of misunderstandings that resulted from there being two deadlines in the legislation, and the lack of effective communication of the real meaning of this deadline to the veterans. All hon. members are well aware of the large number of veterans who have been denied benefits as a result of genuine, honest mistakes. A huge volume of mail has been received to that effect by all of us. These people are another group who cannot be arbitrarily denied benefits, because, if each case could be tried on its own merits, each would certainly be judged deserving of those benefits. If this revision were made in conjunction with those aims already stated, I believe a far greater number of veterans of Canada's wars would be able to receive genuine and well deserved benefit from the Veterans' Land Act.

When considering these changes, I think it is very necessary to remember that we owe the existence of this institution, and a great many others in this great land of ours, to the actions and heroics of these people. Had these veterans been stingy in deciding what they would give up in defence of their country, we might not be here today with the right of decision that we now enjoy. All members of the House should support this motion, I submit.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to the Minister of Regional Economic Expansion): Mr. Speaker, at first glance the motion before the House might be considered routine. On inspecting it closely, however, one finds that it involves veterans. It seems to have become common practice since early 1973 for the opposition to divide the House on party lines on matters relating to veterans. I served on the veterans affairs committee in the last parliament, and I serve on it in this parliament. I have so served since 1968. I can say sincerely that the committee has been almost completely non-partisan and has rarely divided. Usually, all members have worked together and discussed a matter until consensus has been reached. That is why I feel so uncomfortable about today's debate. In the last two years we have witnessed a partisan approach to the problems of veterans. Fewer members of this House are veterans as compared with the last two parliaments, when I believe about 25 per cent of the members were veterans.

An hon. Member: Are you a veteran?

Mr. Guay (St. Boniface): An hon. member asks if I am a veteran. Let me refer him to the little red book, the Parliamentary Guide, and he will see whether or not I am a veteran. I have always been concerned about the welfare of veterans, and always will be. For that reason I support the minister in his endeavours.

Although fewer members now are veterans, we must not forget that the number of veteran members serving at present is considerably lower than the number serving in the first parliament after 1945. Nevertheless, the veterans affairs committee of the twenty-eighth and twenty-ninth parliaments was perhaps one of the busiest committees of the House of Commons. Naturally, all committees worked harder because the rules were changed and estimates of various departments were considered in committee, not in committee of the whole.

Mr. Alexander: But you are a navy man, Joe.

Mr. Guay (St. Boniface): Even so, the veterans affairs committee did a tremendous job. There was a tremendous spirit of co-operation among the parties and veterans' associations. That, essentially, was the spirit in which the Standing Committee on Veterans Affairs worked, the committee on which many members of the opposition have been most active. As I said, the committee worked in a non-partisan way. Its efforts were bent to providing better pensions, better health services, better welfare services and more special assistance to veterans, rather than to partisan activities.

The idea of reviewing the terminal date of VLA is not new. It was extended in 1959 to 1962. In 1962 it was extended to 1968, and in 1965 it was extended from 1968 to 1974. In 1974 it was extended to 1975. I raise these points in order to reply to the hon. member for Winnipeg South Centre (Mr. McKenzie) who was concerned about the Veterans' Land Act and suggested that the government is not doing as much as it might. I would remind hon. members that the Conservatives were in power in 1962, and if they had been as concerned then as they say they are today, they could have extended the act beyond 1968—to 1978 or 1980. There was no reason they could not have done so; they had the strongest government of any, with more than 200 members to support them. Now they are in opposition, they sing a different song.

● (1700)

The article which appeared in the *Globe and Mail* of March 13 was a good one. The author referred to this issue as a political sacred cow. I think he is right, and I believe hon. members on the other side are using it as such. This article should be read by anyone who has not yet done so. A lot of credit is given to the minister for the stand he has taken. Once again, members are being called upon to consider this act. We are proud of our Minister of Veterans Affairs (Mr. MacDonald) who has extended this legislation to March 31, 1975. He has always turned an understanding ear when requests have been made to him, regardless of political affiliation. He has always been most co-operative in trying to understand the veteran's point of view, because he himself is a veteran. We are proud of his wartime career. We are proud of his career as a farmer in his native province of Prince Edward Island. We are proud of his career as Minister of Agriculture in that province, and of the work he has done in this parliament for every one of its members and for every veteran in the country.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): A year ago, the standing committee recommended that benefits to veterans who are incapacitated to the extent of 100 per cent be increased by

relating them to a standard of living directly linked with minimum federal civil service wages. Some hon. members considered it would be very difficult for the minister to persuade his colleagues in the cabinet to accept this proposition, one which was first put forward in 1918 or 1919. The veterans' organizations had made representations on this subject for many, many years. However, the minister was able to bring forward this legislation in 1973.

We are proud of the way in which the minister has kept the budget of his department in line with the requirements of the men and women who are its responsibility. I note that in 1972 the budget provided for $432 million, and that for 1974-75 the estimate is $597 million—an increase of $165 million for the 200,000 people in this country who receive pension benefits at some level. Taking into account the minister's distinguished war record, I am sure most members of the House are willing to accept the hon. gentleman's word, coming as it does from one who is a veteran himself.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I am entering into this debate at a late stage because I feel I should be at least on record as favouring the position taken by the mover and seconder of this motion. The question of the future of the Veterans' Land Act has been debated over and over again in the past two years, and it should now be clear to the government that its decision to terminate this important program was an unfortunate one.

My hon. friend from Humber-St. George's-St. Barbe (Mr. Marshall) has pointed out many times that to terminate the VLA would be to break faith with veterans who were told in all sincerity that their sacrifices in war would not be forgotten. There simply is no justification for ending this program. One reason which, in itself, is sufficient ground for its continuation is that there are still veterans who, for a variety of reasons, have not taken advantage of the act. All of us know the main reason why many thousands of veterans, qualified under the legislation, have not made application for loans. In the period immediately following World War II a man could buy a pretty nice home for $18,000, the limit placed on VLA advances. At that time, half-acre lots were plentiful in most parts of the country. A veteran could purchase an existing home, or build one himself, and still stay within the loan limit. There were homes on the market in almost every area, and building costs were within the reach of those who preferred to build.

All those conditions have changed. In the past few years, building costs have skyrocketed and at the same time it has been increasingly difficult for veterans to acquire existing homes. Moreover, it is no longer practical for anyone, veteran or otherwise, to expect to find a building lot anywhere near the half-acre size required by the VLA regulations. In fact, it is just about impossible to find a lot of that size in many areas of the country; and if he did find one, the average person simply could not afford to buy it. In any case, if money were spent on such a lot, there would be none left with which to build a house.

My hon. friends have already pointed out that the National Housing Act has been brought up to date from time to time; that it is now possible to get NHA loans of up to $30,000, or even more if one plans to buy a multiple dwelling. Under NHA, a purchaser can get by with a lower down payment than a veteran buying a home under VLA; and there are other directions in which the veteran is not getting a fair shake under this, his own program. The whole VLA program should be overhauled. It should reflect today's conditions in the housing market; it should also reflect the differing conditions which exist in various parts of the country. For instance, while it may still be possible to find a building lot large enough to qualify under VLA in some of the smaller communities, it would be ridiculous to expect to find such a lot in Ottawa, Toronto, Montreal or any other city or large town. It is like saying to a veteran that he will just have to move to an area where such building lots are available, even if it means uprooting his family, giving up his job and leaving the area in which he has decided he wants to live. None of that makes any sense, but that is exactly what we are expected to accept as valid reasons why the VLA program should be phased out.

● (1710)

The Minister of Veterans Affairs (Mr. MacDonald), a very capable gentleman who I believe is trying to do a good job in his ministry, must surely realize that veterans have not been treated fairly with respect to the VLA program. While the minister cites the low percentage of eligible veterans who have taken advantage of the program in recent years, he does not tell us that the main reason is that the VLA terms of reference are so restrictive that they are not relevant to today's housing market. The lot size required is out of line with the established building lot sizes in most communities today, and the ceiling on loans of $18,000—I believe a veteran receives only $15,400 of that amount—does not cover more than half the cost of dwellings on the market in most parts of the country.

In conclusion, Mr. Speaker, instead of rushing to put an end to this program, we should bring it into line with today's requirements and conditions, and then we would see whether or not these qualified veterans would come forward in large numbers to take advantage of it.

Mr. Arnold Peters (Timiskaming): Madam Speaker, I was very interested in the remarks of the hon. member for St. Boniface (Mr. Guay) concerning partisanship in veterans affairs. It has always appeared to me that veterans' legislation was based a great deal on non-partisanship, partly because as the minister indicated, in 1945 there was a large number of veterans. While the number of veterans since that time has decreased, it is safe to say that the members who have participated in this debate are well aware of fathers, brothers or relatives who served in wartime, and they well know the contribution made by veterans on behalf of this nation. Thus we have always treated veterans' legislation differently from any other.

The reason this discussion is taking place today does not have to do with whether or not the Conservatives decided that there would be a cut-off date, or whether the date was extended by a previous parliament. It goes back to a decision made in the last parliament. The last paliament was a minority parliament, and it was very easy for all members to be magnanimous in their treatment of veterans. I would point out to one of the previous speakers that part of this magnanimity arose from the fact that a com-

mission sat for many months studying this problem and made certain recommendations that no Liberal government, at least in my experience, would have accepted, and I presume no Conservative government would either.

I therefore congratulate this Minister of Veterans Affairs (Mr. MacDonald) for accepting many of these recommendations, which have made the last years of many veterans much better. I think the reason these changes were made was that it was very easy for each party to put partisanship aside, and together make a decision that was fully in keeping with the needs and aspirations of our veterans, and indeed in keeping with our responsibility to them.

This has been a bad day for the veteran, Mr. Speaker. It has been a bad day for two reasons. First, I attended a meeting of the veterans affairs committee and heard the minister tell the veterans that he was not interested, or rather, to be fair, not that he was not interested, but that he did not believe it would be possible for him to extend the provisions of the act to those veterans who were not able to return to Canada after the first world war and stay for one year.

These people are now over 72 years of age. If you were 16 in 1918 you are 72 now, so we really are not talking about very many people. The minister said he did not think he could anticipate acceptance by his colleagues of an extension of the legislation to benefit those veterans who did not return to Canada for the specified 365 days. There are also several other minor amendments which the minister did not think he would be able to sell to his colleagues, and I suggest this may be because we now have a majority parliament, not a minority parliament.

I did not necessarily expect the minister to extend the date of this legislation, but I did think he would say to us that, although the legislation had to die, he was going to substitute a different type of legislation that would extend an advantage to a veteran and enable him to buy a retirement home with a grant of more liberal amount and, with a much smaller land requirement. But this was not the case.

The minister today sounded more like ministers of governments that I have heard over the years. This Minister of Veterans Affairs—and I say sincerely—has shown a rather unique willingness to examine propositions that have been put before him. Perhaps sometimes he has been slightly naive regarding the implications of such proposals when looked at in a positive way. But in saying today that the time had come to eliminate this kind of legislation, that if veterans are going to re-establish themselves they would have done so a long time ago, he reminded me very much of another minister of veterans affairs who spent a considerable time telling us that veterans' hospitals need no longer exist because there were not enough people to operate those hospitals, and that we should start giving them away so as to get better treatment for our veterans.

Most of the veterans I have talked to who have visited these institutions, which have been taken over by universities and other agencies, have not found that to be the case. The veterans' hospital was a unique institution. Quite often it was run by people who had served in the services, people who were dedicated to veterans' organizations, and who provided the type of service to veterans that may have been somewhat lacking in normal hospitals. This care improved their morale and gave them a better environment during the last years of their existence. I do not think the change we made in the hospital structure for veterans was advantageous.

If the minister is saying that those veterans who have not taken advantage of the Veterans' Land Act and smallholdings legislation should now come under the National Housing Act, I think he is being unfair if he is suggesting that this is to their advantage. Changes could have been made to VLA and probably would have been made. There really was no point in retaining the four-tenths of an acre stipulation, and perhaps we should have adopted the normal size acre in Parry Sound or New Liskeard, or wherever it might be. The lot might be 33 feet wide by 100 feet long, or 50 feet wide by 150 feet long, all depending on the practice of the community in which it is located. In any event, some fluidity should be adopted in that regard with relation to the vicinity or the community in which a person lived. This might not be of any advantage to veterans living outside organized communities, but perhaps that is what we should have done.

● (1720)

One fact that is not generally known to members of this House who have not been concerned with veterans over a period of time is that when veterans' legislation was established the money was put into a number of veterans' funds for use under the land act, and by various agencies regarding re-establishment credits and other things. In each case when those funds were returned they were not returned to the agency that provided the money but to the treasury. That means that a great deal of money goes to the treasury in this way.

Had we originally established a revolving fund under veterans' legislation the minister would now be looking after a sizeable account, and perhaps more consideration would be given to the reinvestment of that money for the benefit of veterans. Because this money goes back into the general account of the nation the amount does not appear to be very large. The return on VLA loans is very large but the output would be relatively small, and perhaps we should do something about the interest rate.

In the legislation we are considering there was another consideration not followed in respect of the National Housing Act. I refer to the restriction placed on veterans because of the advantage they were receiving over those who had to deal on the general commercial market. That restriction was that a veteran had to live in the house built under the Veterans' Land Act for a period, I believe, of at least 10 years before being entitled to full benefits.

Perhaps the government should have followed this practice in respect of national housing, and retained title in all properties for a 10-year period. This would have prevented speculation by individuals who built housing under government legislation. I agree that there might have to be some trade-off because of conditions of mobility which exist in respect of the majority of young people today resulting from job changes, transfers and the like. We would have to provide some flexibility in respect of that 10 year period to cover these changes in jobs, moves and transfers.

If we had some such restriction in respect of national housing it would not be possible for young couples to build a home and profit by the sale of that house in the first six months, perhaps the result of a breakup in their marriage. I suggest this has been the case, and many of these people have been able to double their original investment in a short period of time.

That is a situation which has not existed in respect of veterans' legislation, probably evidenced by the fact that the Minister of Veterans Affairs is still one of the largest landowners in this country, holding more deeds to property than any other government agency. He probably has not considered the number of properties that require his signature to be transferred, but I imagine the number would be much greater than the number for which the Minister of Public Works (Mr. Drury) is responsible, even though he in effect owns or controls all the land in the right of Canada.

Controls of that nature restrict profiteering on land, and I am sure the specific control under the veterans' administration has prevented speculative purchasing by many young people. We could benefit from the extension of that type of legislation to the national housing field, with the result that benefits would be provided young people except for speculative purposes through quick sales.

I am not suggesting that all CMHC loans be transferred to the Department of Veterans Affairs, but loans under veterans' legislation have been administered very well over the years. This type of control has created stability for the individual buying property, and for the communities in which veterans live. In my home town most of the houses built under the small holdings legislation are still occupied by the people who built them, and I think this is true in a large percentage of the cases throughout the country.

I do not believe that members of this House are different from members in past years. I think the difference which now is becoming apparent is a partisan difference resulting from the majority position of the government. The amendment by the hon. member for Winnipeg North Centre (Mr. Knowles), seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), was not considered last year to be partisan. The motion was supported unanimously.

This year the motion accepted unanimously by a previous parliament seems to have become a partisan thing. Apparently the minister will not agree to look at this piece of legislation extending the period of time. I think that by the one-year extension we probably made it possible for an additional 5,000 veterans to take advantage of the act.

Having regard to the original deadlines, surely anyone can admit that he was wrong. I was one of the individuals here in 1965. I was a member of the committee at the time, and heard officials of the department say there was no real advantage in continuing this legislation beyond the deadline as all the people were covered. The officials of the department have said from time to time they have not been busy servicing these loans as the number of applications has been dropping off. At that time we accepted their word and set the deadline for three years from then. During that time nothing really came to light which changed our opinion.

[Mr. Peters.]

However, when the 1974 deadline came in view everyone agreed unanimously that we should have another look at it. As a result we unanimously extended the deadline by one year. I suggest that the fact we have a majority government may be the reason for the partisanship feeling we have today. I certainly hope that is not the reason this legislation is not being changed.

In closing, I would say that as far as I am concerned I am pleased to listen to any suggestions the minister has in terms of changing the legislation. Over the years we have decided that the cost involved was too great to cover all small holdings, and we have found that in the case of many of the people involved it has been too difficult to look after the required amount of land. If I remember correctly the original stipulation was two acres, but we have reduced that. It was reduced two or three times. It now has been reduced to the point where a piece of property may be contiguous to another piece of property and thereby make up the required four-tenths of an acre. Over the years we have come to realize that what we are talking about now is perhaps a retirement home rather than re-establishment property for veterans. We realize that many people who are retiring do not wish to become involved in agriculture but wish to have a small retirement residence. This may be a first home. It may be a long distance from where the person conducted his business.

● (1730)

Perhaps this is a benefit we can give to some veteran who has not been able to obtain a home in some other way. He might wish to leave the locality in which he worked before retirement and move to another community where life is a little slower, and where he may find living expenses to be more within his means.

I suggest it is unfair to those who have not taken advantage of the provisions of this legislation for the government to turn down the request for extension. One of my colleagues just a few minutes ago mentioned that he is a veteran. He said that he knew of this piece of legislation, but that until he came here and heard the discussion several years ago he did not know there was a cut-off date. He had never heard about that. I think that sometimes inside this building we believe everything we have said here has been passed on to everyone in the country. That really is not the case. There are people who did not know the cut-off date was 1968.

If the minister wishes to continue in the jovial, genial and generous manner he displayed in respect of veterans and during the last minority parliament with regard to the Woods Commission Report and the changes that were made in respect of veterans legislation, I would like to see him say that he is in favour of eliminating the 1968 qualifying date, and also the other date.

If this were the case I do not think the minister would be overly generous. We would not be giving these people very much. We would merely be providing them with what they need in respect. of housing. At this period of their lives they probably are in a position to augment that to some degree. It will come back to us. We will hold the mortgages on those properties in any event.

Particularly in this month, Mr. Speaker, when people should be thinking of the evils of war and the penalties

people must pay for war, I do not believe average citizens throughout Canada would feel the minister was abusing their tax dollars if he would reverse the decision that obviously he has taken. If the minister were to make the decision to extend this legislation I am sure the many veterans in this country who would have 5, 10 or 15 years in their own homes would beatify the ministry of this particular minister.

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, this contribution on my part in the debate on the Veterans' Land Act, is the fourth or fifth one. I have no objection to my doing so or to the hon. members opposite doing so whenever it will be necessary in the House and wherever we are given the opportunity to protect the interests of those who fought with us during the dark years from 1939 to 1945 and later on the Korean battlefields.

Every time we do so, we like on either side to say and to repeat that it is without partisanship. I must admit I am doing so today in a partisan spirit, a spirit I feel for my former comrades in arms, especially at this time of the year, in November, where 37 or 38 years ago conditions were not as good, as easy, as peaceful as they are now in the world. Considering the community of interest that all veterans feel for their former comrades in arms, the handicapped or the disabled ones as well as those who never came back, we must earnestly try to find for the former a solution to the various problems they are faced with.

The problem facing us today is precisely a legislation passed in 1942 by the Canadian government in favour of those veterans, that is an act providing for their reestablishment on farms. It was extended and the first time we extended it with a time limit, it was in 1962 and it was not the liberals but a conservative government, which set a time limit to the renewal of the benefits granted under the legislation. I wonder whether my progressive-conservative colleagues can approve of that 1962 policy to limit the benefit period under that legislation and what prompted them to do so. Did they think that the veterans' needs would change some day? As for me, I trust those who set a limit to the benefits at that time. They thought that some day, a limit would have to be set to the benefit period and that an alternative would have to be found. As a matter of fact, if we look at the preamble of the act that I quoted in my speech on March 12, 1974, I said and I quote:

Whereas many men now serving in the active forces of Canada have recorded their desire to settle on land or engage in farming when hostilities cease, and it is desirable that suitably qualified veterans be encouraged to seek rehabilitation in the agricultural industry;

● (1740)

Mr. Speaker, already in the act the matter of required qualifications was raised without reference being made to competence; at that time however farming was a lot easier than it is today, because it is now an industrialized and mechanized operation, which is not easy for everyone to enter successfully.

The preamble of the act stated that a veteran, or a person wanting to enter that very honourable field, had to meet certain qualification criteria. I quote:

Whereas part-time farming coupled with other employment is an increasingly important aspect of the rural and semi-rural life in Canada;

During the years 1942-43 it was still possible for a healthy person to actually have two jobs, work eight to ten hours a day in an industry, a store or any other business, and also farm on a part-time basis. The veteran coming back home and raising a family is a lot more captive at home than when one reaches my age, for example.

It was already possible for a veteran to farm while at the same time having another job. However, the problem is quite different today in the month of March 1974 and the month of November of 1973 when one considers that, on the average, veterans are 59 or 60 years old. That is not the age when a person considers going into a new career, particularly farming, because when one considers today all the complications imposed on someone who has the training to enter that industry, one sees that the act concerning the establishment of veterans contains a very wise provision respecting a "prerequisite" in addition to competence. Later, in 1962, the government set certain limits. Admittedly, it was already recognized that there could perhaps be other solutions to the problem, and such an alternative is precisely what I want to talk about—the Farm Credit Corporation.

When the Farm Credit Corporation was established in 1959 by the Farm Credit Act, it is said that this corporation was created to replace the Canadian Farm Loan Corporation. Its major objective is to grant long term mortgage loans under favourable terms and conditions liable to help Canadian farmers establish family farms on a profit-making basis and to promote the development of a healthy and competitive agricultural industry.

It also administers the Farm Credit Act which provides for loans to groups or syndicates. If you examine the Corporation's annual report for 1972-73, Mr. Speaker, you will soon notice that the spirit prevailing when the Veterans' Land Act was passed is no more. The situation has changed a lot since then. The average loan granted by the Farm Credit Corporation in 1970-72 amounted to $35,173 compared to $28,430 for the previous year. Within one year, the average loan rose by approximately $7,000 and an additional 1,200 loans were granted.

What I want to bring to the attention of this House concerning the Farm Credit Corporation, Mr. Speaker, is mainly the spirit of the Act which provides that the person to whom a loan is granted must have appropriate training. This is not an undertaking that beckons when one is 60 years old.

And the proof that this is not an undertaking upon which one embarks when one is 60 years old is that when you consider the average age of those who asked for or were granted loans in 1971-72, only 5.4 per cent of the borrowers were over 54 years old. And of those who asked for or were granted a loan, the great majority, 75 per cent, were 35 or younger.

That, Mr. Speaker, is the age of those who are presently taking farms over to turn them into a profitable operation which will bring success to them and their family.

As a matter of fact, this is not a business venture that a 55 year old veteran who has worked for the Post Office or

another department or for a private concern can successfully take over and manage. We have but to think of those who were brought up on farms who have devoted their lives to farming, who are now having problems making ends meet and feel they must resort to radical actions judged very severely by Canadians to demonstrate the problems they are faced with.

If the people that were trained for it and lived on a farm experience difficulties, imagine what hardships a middle-aged veteran will have to face.

Mr. Speaker, I did convince my colleagues that the veterans problem is that they did not avail themselves of the other benefits, namely the loan for starting in business or for university education. The minister would do a bad turn to the 80,000 veterans holding a certificate if he embarked them on a venture with exceedingly low chances of success.

Mr. Speaker, that is something I would not be a party to.

Those members who were here in 1973 will recall the efforts by the government and the minister of Veterans Affairs to promote the redemption of certificates by veterans, whether or not they had availed themselves of the statutory benefits. They will also remember campaigns aimed at Canadian Legion sections across the country, and advertisements in veterans publications, calling for the veterans to avail themselves of the benefits provided by the act.

At that time, some came forward for redemption of their right. Since 1968, Mr. Speaker, twenty thousand have availed themselves of their rights.

I wish those holding certificates could use them rather than feeling, as I and other colleagues do, that the time for applications under the act is over.

Since farming and rural settlement come to a much larger degree under the responsibility of another department, I wonder whether the Department of Veterans Affairs would not overextend itself if it went once more into a venture for which much expertise already exists in another department.

I wonder, Mr. Speaker, whether insistence could not be made to bear upon the minister, in order that the very important problem of veteran settlement be reviewed, without developing an act that would restrict very dangerously the veterans' chances of success.

I listened this afternoon to remarks by my hon. colleagues opposite, as I did in March last or November 1973. I heard nothing in the way of a solution comparable to the one I just mentioned, that is considering the possibility that another department or agency might find the key to the problem, that is the continuance of benefits provided by the act.

[*English*]

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, it is a pleasure for me to speak in the debate on the Veterans' Land Act. I believe that in my constituency in Victoria, B.C. there are probably more veterans than any other constituency, at least on a percentage basis.

Along with my colleagues, I was rather shocked at the remarks of the hon. member for St. Boniface (Mr. Guay) who said, at the start of his address, that the Veterans Committee has always been a non partisan committee on a non partisan subject, and then proceeded to be quite partisan himself.

Some hon. Members: Shame!

Mr. McKinnon: I am sure that he regrets it, as we all do. I have been privileged to serve on some committees of the House that are nonpartisan, and it has always been a pleasure.

The minister made some comments that left me somewhat puzzled. I understood him to say in his speech this afternoon that there are some veterans overseas who might be qualified, and that his representatives had talked to some of them who had not seen fit to take up their options to purchase land under the Veterans' Land Act. I am somewhat skeptical of the likelihood of anybody wishing to buy land that he had not seen, and that in fact is in another country.

With regard to the remarks about the article in the *Globe and Mail*—and I have not had time to get it from the library since the hon. member from St. Boniface brought it up—let me point out that, so far as I recall, it pointed out that perhaps the VLA should be wound up because there were not enough veterans taking advantage of it. Surely that is not a reason for closing up VLA. That is a reason for looking at it again and deciding why they are not taking advantage of their options.

● (1750)

When you have on record between 125,000 and 150,000 veterans who qualified to purchase land under the Veterans Land Act and who ask for the certificate, and then you find that nobody is buying the land, I do not think you can say this means they do not want it. The truth is that it is financially impossible for them to buy the land.

I believe this Veterans' Land Act followed the Soldier Settlement Act of World War I, and until a few years ago the government supplied a mortgage of $15,400 and the veteran paid $2,600, making $18,000. The veteran could buy an $18,000 home provided it was on .4 acres of land, but a dwindling number of veterans have been taking advantage of this. Anybody who could buy a piece of property with a house on it anywhere in this country today for $18,000 must have an uncommon ability.

At the conclusion of his remarks the minister pointed out that the government is aware of the need for low and modest income homes. He said:

> It is in recognition of that awareness, and of the greater relevancy of the provisions of the National Housing Act to those needs, that a study has been undertaken to examine whether special arrangements should be made to assist such veterans.
>
> Because discussions are still in progress, I am not in a position to comment further at this time. I am hopeful, however, that it will be possible for me to do so in the not too distant future.

This is asking the House to cancel VLA in exchange for a promise about which the minister is not prepared to speak. It would have been much better if the minister had transformed his cloudy promise into legislation, and brought the legislation here as a quid pro quo for the Veterans' Land Act. In dealing with governments a bird in the hand is worth much more than a promise. It is the

government which has permitted VLA to become unworkable. The government says nobody wants land because people are not applying for it. That is like saying people in Bangladesh are starving to death because they are not buying food. It is impossible for veterans to buy land and build a home now under the Veterans Land Act. It is sheer chicanery for the government to say the act is not needed any more because veterans are not taking advantage of it.

I should like to say a few words on how the act could still be used, Mr. Speaker. Many veterans, and I was one, stayed in the service after World War II. Because they were posted from one part of the country to another they did not buy a home but planned to do so when they retired. They are at that age now, and I am sure some of them are among the 125,000 to 150,000 certified veterans who have not taken up the option to buy land. Upon retirement they found they had a "Catch 22" bill—if they could find a property and put a building on it they could have a low term mortgage. Of course they were much too late.

The minister, and the hon. member for Timiskaming (Mr. Peters), raised the question of veterans' hospitals and I should like to comment on something that was brought to my attention recently. I agree entirely with the hon. member for Timiskaming. The transfer of veterans' hospitals to civilians and civilian organizations has not gone well. In Victoria the coronary care unit of the veterans' hospital was closed, and now any veteran who has a heart attack in that hospital has to be taken to the nearby civilian hospital by ambulance. They are closing down the outpatient department and this leaves many patients, particularly the aging ones, in a terrible position. They consider the veterans' hospital doctor to be their family doctor; now they are turned away and told to go to a doctor of their choice.

The Department of Veterans Affairs convinced veterans' associations that the change was inevitable and they might as well relax and enjoy it. They also convinced the staff that they would be better off if the province took over the hospital. The only people they did not talk to or consider were the hospital patients. I believe this transfer to be a tremendous disservice and I want to put my objection on the record, Mr. Speaker. It is a mistake and it should be rectified.

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

The Acting Speaker (Mr. Penner): Order, please. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. McKinnon: Madam Speaker, may I take a moment of the time of the House to say what a pleasure it is to have you in the chair. Your presence reminds me of a cavalry general who had done nothing in a battle. When asked what he had done, he replied that he had lent colour and dash to what otherwise would have been a vulgar brawl. I feel the same way about your presence here.

At six o'clock I had been speaking on the veterans' hospital in Victoria, and I have a few more comments on that topic before I yield the floor to others who wish to participate in this debate.

The decision to turn the hospital in Victoria over to the province was announced some six months ago. As to when the decision was made, only the minister knows, but it was made some considerable time before discussions began, I believe.

I am not in favour of hospitals having empty beds. I have no complaints about any efforts made to make fuller use of scarce medical facilities. However, I object to the fact that the treatment of veterans in the Victoria and Vancouver Island area is not of the same standard it was before the changes. Elderly veterans, who for years were accorded out-patient status at the Victoria hospital, are no longer able to get medicine at the familiar dispensary. They are no longer able to see their usual doctor who knew them personally and their problems. They feel insecure in the strangeness of the new rules and regulations. If they need minor surgery they can no longer be sure of admission to the operating theatre at the "Vets", particularly on Saturdays when the operating room is allotted exclusively to abortions. It is a sad commentary on our social values that this should happen.

In closing, Madam Speaker, let me return to the Veterans' Land Act. I remind the minister that many options are open to the government. I do not know what structures the government may have placed on the minister; certainly many options are open to the government, if only it will take them. Let the government rid itself of the idea that it can absolve itself of responsibility for veterans under the Veterans' Land Act by talking of the days when the act was used to settle soldiers on land.

Let us be honest. The provisions of the act were designed to provide shelter for veterans. The government should readjust its thinking and allow veterans to acquire modern shelter in modern times. Let it consider extending the terms of the Veterans' Land Act to cover the purchase of condominiums, the purchase of house trailers and of strata titles. The mortgage restriction should be changed. Instead of the $18,000 ceiling, the ceiling ought to be up to 85 per cent of the value of the holding. In other words, the government should cancel the existing ceiling governing the amount of money available for a mortgage. It should lessen the requirement for land. Really, you will not provide shelter for veterans if you insist on them holding .4 of an acre, or half an acre. The spirit and principle of the law are defeated by a technicality. In addition, the government should cancel immediately the 1968 and 1975 dates regarding the closing of certification to do with the purchase of land.

I submit that the minister should initiate, in consultation with veterans' organizations, a study to enable amending legislation to be drafted which will satisfy the real, present day needs of veterans.

Mr. S. Victor Railton (Welland): Madam Speaker, I am pleased to participate in this debate on the motion to review the termination date, March 31, 1975, for applica-

tions under the Veterans' Land Act as at present specified in that act. Many members debating this issue are, like me, veterans of World War II, the war which we believed would be the last major conflict. Perhaps that is a slim hope.

During the past few years, particularly the last year, motions have been introduced to disregard or extend the deadline for applications under the Veterans' Land Act. Such motions are understandable, as they ask the government to give continued benefits to men and women who responded to their country's need in time of war. Such motions were considered carefully last year and turned down. However, the minister agreed to reconsider the matter. Finally, the official opposition brought in a motion of non-confidence. No one needs to tell me that that motion was not used as a political lever in an attempt to bring about the collapse of the government.

The minister had taken pains to make sure that every veteran who really wanted to, could avail himself of the provisions of the act. He was supported by the Royal Canadian Legion and other veterans' organizations in his decision. The official opposition said it had no wish to unseat the government; it moved its motion out of a desire to help veterans. Madam Speaker, I think they were speaking with tongue in cheek.

Also, the then NDP leader protested that the question of political advantage did not enter the minds of his party. He hoped the veterans would realize that the Progressive Conservatives were ready to play politics with the welfare of the veterans.

Mr. Marshall: We will remember that.

Mr. Railton: Personally I would have had a difficult time supporting the government if the minister had not reconsidered this matter. Why do I say this? When I was a certain age—it is close to the average of World War II veterans—I, myself, had taken out a VLA loan to help me buy some land and a house on the shores of Lake Erie. Indeed, at the time this matter was last discussed in the previous parliament, I did not wish to prevent any veteran from doing exactly what I had done. But my soul searching ended when the minister promised to reconsider the termination date for applications. So we, on all sides of the House, were able to vote for the motion with a clear conscience.

Since then I have had many inquiries from friends and constituents who are World War II veterans. I find that no one is very likely to be injured by closing off applications at the end of March, 1975. This gives me a personal freedom in not supporting the motion.

● (2010)

When one reads the preamble to the original act there can, I think, be no doubt that the government of the day wished to favour those young Canadians who flocked to the colours voluntarily and defended their country so gloriously. It can be seen from the preamble that the government wished not only to reward returning veterans after the second world war but also to create some incentive which would encourage young people to leave their jobs and join the forces.

[Mr. Railton.]

At this stage we know there are some 100,000 veterans who have bought property with the help of VLA. Almost half of these, about 48,500, are still living on those properties and are repaying their loans. Another 40,000 of those still on their land have finished paying their debts.

When one considers that although the average age of those returning from the war was 24 and that the average age of veterans is now between 55 and 60, we realize that these citizens have thus had 30 years to consider land purchase under the Veterans' Land Act. In my many years of practice in Welland since the war, I find that a great many of the veterans there are 60 years of age or more. Thus, Mr. Speaker, I doubt very much whether there are more than a very few veterans who will even consider using the VLA to assist them in buying a home. Though it is true the cost of land and housing is very high today, and a grant would certainly be of some help, other borrowing possibilities would need to be open to the average veteran.

The mover and seconder of the motion before us are well known for their compassion toward veterans. Indeed, I believe that any speaker in this debate must be described in the same way, as being compassionate. However, when I got over my personal hurdle last year and satisfied myself that the act was no longer needed for its original purpose I found myself against extending the expiry date, being satisfied that none of our honoured veterans is likely to be hurt if the date now set for expiry remains unaltered.

I have listened carefully to the speeches of hon. members opposite and can find no new point in them. The present extension was made in a minority parliament and there were, therefore, some special considerations which had to be taken into account. These no longer apply. Needless expense should be eliminated in these times of inflation and of a national situation which is so serious, and so the act should be allowed to expire. This would still permit some new commitments to be made in favour of eligible veterans in the next few months.

We belong to a group composed of only a very few countries which operate a Department of Veterans Affairs. Our departmental budget this year is around $600 million. This is evidence of our deep concern for Canadian veterans, even if nothing else is mentioned. In addition, we have today reported Bill C-4 to increase war veterans allowances in a very generous manner. It is possible that some method for the preferential treatment of veterans seeking to build or purchase homes can be worked out. I would support a new act to allow war pensioners and recipients of WVA to be helped in this manner.

Indeed it would be very nice if all veterans could qualify for some help under the National Housing Act. I do not know how this can be worked out; it would be up to the minister and the cabinet. In the meantime I should like to congratulate the minister on his compassion and also on his wisdom in the handling of the Department of Veterans Affairs.

Mr. J. R. Holmes (Lambton-Kent): Madam Speaker, it is with considerable pride that I participate in this debate. May I begin by congratulating the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and the hon. member for Winnipeg North Centre (Mr. Knowles) on the contributions they have made to this debate, as well as on

their past interest and concern in all matters affecting war veterans.

I want, also, to join with the hon. member for Victoria (Mr. McKinnon) in his condemnation of the opening remarks of the hon. member for St. Boniface (Mr. Guay), and to take issue with the hon. member for Welland (Mr. Railton) for implying that partisan politics are involved in this debate. Since my election in 1972 I have been impressed by the non-partisan approach which has been demonstrated by all parties in matters which affect veterans. It is precisely this attitude which has prompted me to speak on the motion before us, believing this to be a forum in which reasonable attitudes and approaches will be recognized.

I might add that I join with the hon. member for St. Boniface in his congratulations of the minister who is recognized as one of our great heroes and outstanding Canadians. I know he is concerned about the welfare of veterans. Indeed, he has demonstrated this concern and compassion during his tenure in office. I am certain the minister will be understanding of and sympathetic to reasonable arguments which are presented in this chamber, and I am equally confident that his compassion and generosity will prompt him to see justice is served and that he will reconsider the statement he made this afternoon.

I think it is important to note and record in *Hansard* that members on both sides of the House have paid tribute to our veterans, emphasizing the contributions they have made to Canadian society. Again, I am hopeful that before this debate is over our action will demonstrate unity in protecting the rights of veterans with respect to this most important issue.

Despite the minister's statement this afternoon I still remain confident that at the conclusion of the debate he will recognize the importance of this legislation to thousands of veterans that he will also recognize the sincerity of the speeches made by those who represent the views of countless Legion members and veterans across Canada, and acknowledge that there is still widespread support for the continuation of the legislation. It is also my hope that the minister will not only extend the expiry date of the act but provide a vehicle for meaningful amendments which will correct existing injustices.

● (2020)

Personally I have not had the privilege of serving in the armed forces, but I have had the opportunity in my constituency of Lambton-Kent of having a warm relationship with the Canadian Legion, particularly in my home town of Wallaceburg where I was installed as an honorary member of their branch. I am proud of their traditions and the innumerable contributions they have made to the community.

Whether by accident or design, it is particularly fitting that this debate is taking place just prior to Remembrance Day. It is important to recall the purpose and meaning of that day when we pay tribute to those who made the supreme sacrifice in the name of freedom, when we extend our sympathy to the families and friends whose loss of loved ones has left permanent scars, and when we remember with pride the members of the Legion for the sacrifices they made, the traditions they hold and, above all, their loyalty to our country.

As parliamentarians, our words, acts and deeds must transcend this important day, and it is our responsibility in this chamber to translate not only our gratitude but that of the Canadian people into tangible results defending the rights of our veterans. I would say to the minister, indeed to all members in the House, that a generous response on the part of the government to this important matter would have significantly more value and meaning than all the words spoken by hon. members on Remembrance Day.

During the debate on the Veterans' Land Act on March 28, 1974, and again in his statement today, the minister—and I say this with all respect—attempted to defend his position by developing in some detail the original intent of the legislation. As reported at page 948 of *Hansard* for March 28, 1974, the minister said:

> I should like to remind hon. members that the original purpose of the Veterans' Land Act was to assist in the rehabilitation of veterans in the postwar period, following wartime active service, and to do so by helping them to settle on the land in rural or semi-rural areas as full or part-time farmers.
>
> The intent of the legislation in these respects was clearly spelled out in the preamble to the act, and I think it is relevant to quote the following parts of the preamble:
>
> "Whereas many men now serving in the active forces of Canada have recorded their desire to settle on land or engage in farming when hostilities cease, and it is desirable that suitably qualified veterans be encouraged to seek rehabilitation in the agricultural industry;
>
> "And whereas part-time farming coupled with other employment is an increasingly important aspect of rural and semi-rural life in Canada;
>
> "And whereas it is in the public interest as a measure of rehabilitation to assist in acquiring the ownership of farm homes—"

I emphasize the word "homes".

> "—by qualified veterans—".

This in fact is the crux of the debate in this chamber today, and resolution of this problem is essential if additional, meaningful amendments are to be forthcoming and, may I add, should be forthcoming.

I will admit that the minister is accurate in a legal sense in presenting this view, and I am certain that all members are well aware of the original intention of the bill. Approximately 30 years have passed since the introduction of the legislation, and social and economic pressures have diluted the original concept with its emphasis on a home in a rural or semi-rural setting. However, I must emphasize that the desire and need for the establishment of a home are as relevant today as they were 30 years ago.

Who was able to predict with accuracy the rush to urbanization? Who sensed the great threat to our rich agricultural lands and the necessity for planning to preserve this valuable resource? Who predicted the unrealistic cost of lots and homes, and the unrealistic legislation that presently exists to meet these needs?

The principle of homes for our veterans is as valid today as when the legislation was first introduced. Indeed the problem is more critical today in that large numbers of veterans are experiencing difficulties in finding a place to live during their retirement.

I would respectfully suggest that if legislation were being drafted today, as I am certain it would following a similar armed conflict, the preamble would once again emphasize the importance of a home as in the original legislation, but the details would be equated with the social and economic forces existing at the present time.

I realize that the minister indicated in his speech this afternoon that there would be a study to determine whether such a program should be introduced. I have great respect for the minister and I know he is sincere in the comments that he has made, but we have not seen the proposed legislation, and unfortunately we are dealing with the Liberal government and not the Minister of Veterans Affairs.

Every member in this chamber has had representations from Legion branches and veterans asking for an indefinite extension of the date. Indeed, in the minister's speech on March 28 he indicated that very need, and I quote from the same page of *Hansard*:

In the current fiscal year, however, and more particularly in the last six months, there has been a significant increase in the number of loan applications. It is expected that the number of veterans who will have been settled this year will approximate 5,500—and there are a further 1,400 loan applications on hand awaiting appraisal.

I should add that this occurred at a time when the present qualifications are out of date in terms of current social and economic changes. I think it is significant to note that in the summer issue of "The Fragment" there is a full page ad on page 39 under the caption "Veteran's Land Act Extended to March 31, 1975 for Qualified Veterans". I commend the minister for this action but wish to underscore that such action implies the minister recognizes a large number of veterans are interested in participating in the program, and that the minister knows the terminal date of March 31, 1975, will not fulfil the veterans' needs. I say in all sincerity to the minister that his conscience cannot be sublimated by such an ad, and the ad is no substitution for action.

In the same summer issue of "The Fragment" there is an editorial entitled "Veterans' Land Act" which very concisely and succinctly summarizes the views of veterans and Legion branches across Canada. I should like to put them on the record of this House because they are important and express the situation much better than I could:

It seems obvious, from the reaction to the scheduled March 31st, 1974 deadline for application under the Veterans' Land Act, that this legislation can continue to serve a useful purpose for a number of years.

It is our contention that the issues have been unnecessarily complicated by figures and various data reports. We do not wish to oversimplify, but facts seem to speak for themselves:

(1) There are still many world war II veterans who wish to take advantage of this legislation.

(2) Should they wish to do so, they are required to repay their re-establishment credits.

(3) The cost to the taxpayer with regard to the Veterans' Land Act is negligible, particularly inasmuch as the mortgage rates for loans under part 3 of the act fluctuate with mortgage rates generally.

(4) Many of the veterans who now, or in the future, may wish to make use of the Veterans' Land Act could not do so in the years immediately following their discharge from the service, as they were attempting to rehabilitate themselves and were not in a financial position to purchase a home. If such persons are willing now to repay their re-establishment credit, it seems logical that they should not be deprived of the benefits of the Veterans' Land Act.

[Mr. Holmes.]

(5) Provisions under the act should be up-dated, in accordance with today's economy. It is to be noted that the government had no compunction about increasing the interest rates of loans under Part III when interest rates generally had escalated. It seems most appropriate that the government should also increase the loan ceiling in keeping with the upward revision in the cost of land and houses.

● (2030)

(6) The government should recognize also that the increased age of the world war II veteran population generally precludes individuals from the operation of a "small holding" which was the original basis of the requirement for one-half acre of land for a VLA mortgage. Also, the cost of land has increased to the point where the purchase of one-half acre would be prohibitive in most cases. Therefore the government should reduce the acreage requirement so that a VLA mortgage could be obtained by veterans wishing to build on municipal lots.

We are appreciative of the fact that the government has extended the deadline for a period of one year. It would seem appropriate now that:

(1) All Deadlines be removed from the act.

(2) The loan ceiling be removed on the amount available under VLA and this be made equivalent to the National Housing Act administered by Central Mortgage and Housing Corporation.

(3) The one-half acre requirement be removed, so that a veteran could use the act for the purchase of municipal property.

In concluding, I should like to quote from the latter part of the minister's speech on March 28, 1974, at that time he stated:

It seems to me that when there is a reasonable doubt, we should not hesitate to decide in favour of the veterans. We must not forget that some years ago they did not hesitate when the survival or freedom was in doubt.

The minister went on to say:

I believe, Mr. Speaker, this extension will provide many veterans with the opportunity to take advantage of a program which was designed for them. It should be made quite clear that we are not doing this as a favour to veterans but simply as a right which they have earned.

I know the minister was sincere in making those comments earlier this year and I have no doubt that he holds those same views today. I place little credence in prophets and clairvoyants, but on this occasion I would implore the minister to use his good offices to ensure the fulfilment of those words.

Mr. Max Saltsman (Waterloo-Cambridge): Madam Speaker, judging from what the Minister of Veterans Affairs (Mr. MacDonald) has said, he would hold out some hope that veterans will receive some special consideration from the ministry of housing when he transfers his responsibilities to that department. It seems to me that what we should be doing, rather than transferring the kind of benefits we have traditionally offered veterans to a department whose record of success is meagre, to say the least, is transferring the responsibilities of that department to the Department of Veterans Affairs so that everyone in our population could appreciate or receive some of the benefits veterans have received.

In a few days across this country memorial services will be held to honour those who died in two world wars. The greatest tribute we can pay the dead, instead of paying lip service on that occasion, if we really want to honour the dead of our wars, would be by seeing to it that the benefits the veterans have received are extended to every member of our society. That would be a fine and lasting tribute, the kind of thing those men might have felt worthy of dying for, Madam Speaker. If the legislation we were able to implement on their behalf were extended to every member

of society, that would be a great source of pride to every veteran in this country.

I am suggesting that we are going the wrong way. Instead of carrying on something which should be extended to all members of society we are now taking it away from the veterans, without enhancing society by doing so.

If we consider all veterans' legislation in this country I think most of us can take pride in the fact that our country behaved the way it did, in that veterans received reasonable treatment from their government. We can also take pride in the fact that many of the ideas which originated in respect of veterans' legislation, contained in the principle of assisting the veterans, have been incorporated in various sections of other legislation. For example, veterans receive hospitalization and medical care as a result of their service in the war. That coverage has been extended to all members of society. The question then arises, if assistance in other areas is the human thing to do in respect of veterans why should it not be applied to all members of society? I am sure that veterans would applaud that move.

Having regard to the field of housing, if programs in this area should be extended then why should any person be required to put a down payment on a home in this society? Is the credit of the average man so bad that we cannot trust him with a loan without a down payment? Let us consider what is happening because of this principle. If we do not move in that direction we get involved in all kinds of subsidies that probably cost a great deal more than a program which would simply permit people to obtain mortgage loans without a down payment.

In my opinion the cost of subsidization over the years is greater than a program which would simply allow people in our society to obtain mortgage loans. This would be of assistance to those people in our society who would work to pay off that mortgage, with the result that both the individual and the government would benefit.

The system we have in our society is not as good as it might be, and I have in mind various assistance and support programs. Under the veterans' legislation an individual who came out of the armed forces had the right to decide what he wanted to do with his credits. Such an individual could take a university course, he could apply his credits toward a small business loan in order to go into business for himself or become a farmer, or he could use those credits to buy a car or anything of that kind.

What are we doing under our present system? People should have credits in our society. If an individual has been lucky enough to have a nervous system which permitted him to get through high school he is able to use similar credits to go on to university. Another individual may not want to go to university, for one reason or another, but under our system he is entitled to nothing. That individual does not have access to credits in the way veterans did in past years. If such an individual wants to start a small business he does not receive that assistance. Of course we do have such things such as farm loans and small business loans, but for all practical purposes these are not available to the average individual. There is a tokenism there, but in fact the assistance is not available to that kind of person who applies.

We could benefit enormously if we took the principles of the veterans' programs and applied them to society generally. That is the direction in which we should be moving rather than dismantling a valuable program by turning it over to an agency whose track record has not been good. I have no confidence in the suggestion that the housing ministry is really going to do anything worthwhile for veterans. The benefits which have been extended to veterans over the years should be continued and enlarged for other members of our society, perhaps specifically for the benefit of the sons and daughters of veterans.

What we tend to overlook in our society is that there are many other people who might have offered their services, in fact many who did, but actually did not serve in the armed forces. Many of these people were at certain age levels that did not permit them to serve. In fact the government directed many of them to stay on the farm or work in industry rather than go into the armed forces. Many others were prevented from serving overseas or even in the armed forces because of poor health. Those people were no less patriotic than others who served in uniform. Let us take the merchant navy as an example. Many members of that group served at far greater risk than others in uniform.

● (2040)

I think a compelling argument can be made that all people in society who suffer because of a war, and not just those who put on a uniform, are entitled to the kind of benefits that were made available to the service men. I might give an example of the kind of man of whom I speak. Perhaps he will not thank me for pointing this out.

There probably has been no greater defender of the veterans' rights than the hon. member for Winnipeg North Centre (Mr. Knowles). No man has spoken more eloquently and feelingly about the problems of the veterans, or with more continuity and consistency than the hon. member for Winnipeg North Centre. One would have thought that at the very least he was a general leading troops on the front lines when he talked about the war and his feelings in that regard. This is the kind of thing to which I refer. One did not need to be in a uniform to show one's patriotism and devotion to the country, although it is true that those in uniform have a special claim on our thanks.

I hope the minister will pay some attention to the representations he has received from many members in this House. It is not a question of merely letting something drag out. It is not a question of letting a program peter out; nor should we become involved in the argument that there are not too many veterans applying. What is far more important is the principle that has been established which, I think, in some ways is in our legislation for veterans and not for other people. That principle should be maintained and strengthened. It should be applied to all members of our society rather than letting it go into oblivion at this stage.

Mr. Joe Flynn (Kitchener): Madam Speaker, on this very memorable day I feel it is a privilege to be allowed to participate in this debate. I feel very comfortable tonight speaking in this House under this great canopy covered with Irish linen. I might say I am especially proud as a

naval veteran to support the Minister of Veterans Affairs (Mr. MacDonald). I proudly remember two very fine army people, my father and my brother, who did so much for their country.

I am left a little confused by the remarks of the previous speaker, the hon. member for Waterloo-Cambridge (Mr. Saltsman), who, while praising the servicemen suggested that similar rights should be granted to the general public. These are privileges that only servicemen earn. I am a little confused by the mixing of apples and grapes in the same barrel.

In considering the representations of last March to extend the statutory deadline of March 31, 1975 for qualified veterans to submit loan applications under the Veterans' Land Act, it is essential to look at the matter having in mind the purpose of the act and its alternative relationship to other rehabilitation measures.

As indicated in previous statements which have been made, both in the House and before the Standing Committee on Veterans Affairs, the Veterans' Land Act was not designed as a program of urban housing, nor as a part of a retirement program for persons reaching the end of their productive careers. Its basic purpose was to provide loans for the purchase of agricultural land, to be used on a full or part-time farming basis by veterans who were interested in this form of rehabilitation program on their return to civilian life following wartime active force service.

It was recognized that many veterans would neither wish nor find it practical to settle under the Veterans' Land Act. Two other programs were enacted: university training under the Veterans Rehabilitation Act, and re-establishment credits under the War Service Grants Act. The benefits under these three programs were alternative one to the other. Each veteran had the right to choose which plan he considered would best serve his needs and desires. The Department of Veterans Affairs' university training program was concluded in the 1950's, and October 31, 1968, was the final date for veterans to use re-establishment credit benefits.

As has been mentioned previously in the House, virtually every veteran who has written about VLA has used either of the other two alternative benefits. Having regard to the basic purpose of the Veterans' Land Act and its alternative relationship to the other two measures, in 1965 parliament established deadlines to phase out VLA lending operations in a reasonable and orderly manner.

By next March more than 30 years will have elapsed since the end of world war II, and 20 years in the case of the Korean conflict. This is a rather fantastic length of time for this particular arrangement to continue. In the context of a rehabilitation measure to assist veterans to pick up the threads of civilian life following wartime active service, this has been a worthwhile program.

Reference has been made from time to time to the fact that some 125,000 veterans such as myself who hold VLA certificates have not applied for VLA benefits. I might suggest to you, Madam Speaker, that this has relation to the dreamer—and aren't we all dreamers—who imagined that he might have a little market garden some day, that he might also test the greenness of his thumb, and that he might even go to the growing of the grape. The words of St. Patrick who said, "—a little wine for thy stomach's sake and thine often infirmities" would only prove to him that he would not be able to utilize completely the VLA certificate to its fullest advantage.

[Mr. Flynn.]

An hon. Member: That was St. Paul who said that, not St. Patrick.

Mr. Flynn: Thank you very much. I was waiting for someone to correct me. Everybody is not in the throes of euphoria; they are wide awake. It is possible that the vast majority of these veterans simply took the precaution of obtaining such a certificate by the deadline of October 31, 1968.

The Minister of Veterans Affairs received some representations that March 31, 1974, was premature for qualified veterans still serving in the armed forces to apply. At that time the minister brought into the House legislation which extended the deadline to March 31, 1975.

In summary, I believe the terminal dates established by parliament more than eight years ago for the orderly phasing out of VLA lending operations were reasonable and realistic at that time. By next March approximately 140,000 veterans will have been settled, involving an investment of public funds of more than $1¼ billion. Those are impressive totals, and I suggest that they reflect the great popularity of this rehabilitation measure for Canadian veterans.

● (2050)

Hon. J. A. MacLean (Malpèque): Madam Speaker, it is my intention to be brief in my remarks, and I hope that I will not be repetitious. First, I wish to say that I support completely the point of view advanced by a number of members on this side of the House on this important issue. I believe that the crux of the matter is that governments have responsibilities. I do not speak here of any particular government but rather of the institution of government.

Surely a government should follow a code of conduct, the same as a good citizen. If we take as an example the responsibility of government in administering justice we find that there is one view on this subject. It is generally accepted, especially following our tradition of British justice, that justice for the individual is all important, and that the matter of cost, inconveniences or anything of that sort, is secondary.

For example, if a bank is robbed every effort is made to apprehend the criminal and to bring him to justice. Large amounts of public funds are used to ensure that the accused is not condemned unjustly, and that justice prevails. But for some curious reason although that view is generally accepted with regard to the administration of justice, an entirely different set of values comes to play in relation to the justice of administration. Here the view that seems to prevail is similar to what is said of a corporation: no soul to be saved and no body to be whipped, therefore no need for moral compunction. Governments are somewhat similar. However, they have a responsibility, and this is only one example. All too often, when we consider the justice of administration, we find that a kind of bureacratic syndrome sets it.

There are people who tend to say that since not many veterans are involved, it does not matter about them. In other words, it is all right to be unjust to a few. My view is that it is not all right to be unjust even to one person. All too frequently people suffering from this bureaucratic syndrome treat other people as statistics. We have heard it quoted ad nauseam that there are not very many qualified veterans who are applying any more, and also that the war in which they took part happened a long time ago, the war which qualified them for benefits under the act. "So there are two factors in our favour," the bureaucrat says, "one is that it happened a long time ago and the memory of it is receding." A whole new generation has grown up that does not know what we are talking about. No doubt they look on us who take part in this debate as a bunch of old crocks talking about ancient history.

The second view of the bureaucrat is that only a few veterans are applying, so it does not matter how unjust one is to just a few, to their way of thinking. This is the statistical approach to what is right and wrong.

Mr. Baker (Grenville-Carleton): The old numbers game.

Mr. MacLean: I do not think that that is valid, and I do not think the minister thinks that way either.

Mr. Baker (Grenville-Carleton): He is blushing.

Mr. MacLean: I hope that the minister will be able to resist this bureaucratic approach. These people think that since there are only a few involved, it is inconvenient for the bureaucracy to have a set up that is shrinking. Bureaucracy must per se expand because one cannot build an empire with an establishment that is contracting. Therefore this is against the philosophy of the bureaucratic mind. They say, "It is inconvenient, so let us brush it under the rug, and perhaps next year, or some other time, we will justify it by saying that we will grant similar benefits under some other department of government." That is not good enough so far as I am concerned.

The fact of the matter is that the reason given that veterans are disqualified from these benefits simply because they did not establish their qualification in time is not a valid one. The reason they were late is not germane. Some of them perhaps are continuing to serve in the permanent forces and did not know where they would want to live permanently after they had completed their service. There could be one hundred reasons. That is not the point.

The point is that under the terms of the act there are still a few veterans who are just as qualified for these benefits as was the first veteran who applied when the act first came into force. It is the responsibility of all of us, and of the government in particular, to ensure that the contract with the veterans is kept, not only for the bulk of them, not only for the ones who applied early, but for everyone down to the last veteran who qualifies for this benefit, even if it is 50 years later. Time should not be a deciding factor in this. Therefore I hope that the minister will see fit to cut out this time limit entirely.

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, may I first of all associate myself with some considerable pleasure with the remarks so ably presented on this resolution by the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall).

At the risk of repeating some of the argument in support of the resolution let me relate this important issue to some of the complaints and needs of veterans and their families in my constituency of Medicine Hat. I know that the minister and his staff feel that after nearly 30 years there should no longer be a necessity for a further extension of VLA after March, 1975, and the earlier qualification deadline in 1968. In this regard I appreciate the remarks that the minister made in response to my comments and questions at the recent meeting of the Standing Committee on Veterans Affairs when we discussed the estimates of that department.

I want to say to the minister that there are still veterans in my constituency who do have reasons for not having become properly qualified back in 1968, and I admit that some of the reasons seem to be obscure. I can only say that those few should still be allowed to qualify, and they have earned that right as genuine war veterans. Perhaps the only reason I can suggest is that I know most of them personally.

● (2100)

The fact that they want to use this last VLA opportunity for a retirement home should not be held against them, or used as a reason for hastening the end of what has been a fine program for veterans. I know about this, Madam Speaker, because it has been my privilege to have had a VLA contract which was a substantial help to me over the years. That is why I suggest that the few remaining veterans of whom I speak should be entitled to have their records examined so that they can qualify. There are relatively few veterans left who could qualify under the 1968 terms, and perhaps a solution would be for them to be considered on an individual and personal basis by the minister himself.

In his speech today the minister threw out the suggestion that he may be bringing in a separate housing policy for veterans in lieu of the soon to be phased out VLA program. Until such a suggestion becomes official policy it seems only common sense and decent justice to insist that the present VLA policy and the extension of the 1968 qualification date be continued over an indefinite period.

If a special housing policy is pursued for veterans I sincerely hope and trust that the current almost complete lack of mortgage money is recognized and accounted for in such a proposed policy.

I should like to give one specific example from my constituency of a need for some form of VLA continued assistance. The veteran concerned is in the commercial trucking industry and wishes to erect a suitable building for his trucks—both as a shelter and as a shop—to be located on a small acreage. This, to me, is a perfectly legitimate use of his rights as a veteran, but I believe at the moment he is not being considered.

In the Medicine Hat constituency there are seven Royal Canadian Legion branches. These are located in the various areas and include Bow Island, Redcliff, Taber, Vauxhall, Foremost and Raymond, and my own in Medicine Hat, No. 17 Robertson Memorial Branch. In addition, the

Empress Legion branch is only the width of the Saskatchewan River outside my constituency.

I am looking forward to next Monday, Madam Speaker, when I will march with considerable pride with my fellow veterans in our Remembrance Day parade. I would be less than truthful and sincere tonight, and on Monday, if I did not participate in this debate and report to this House that I have discussed these matters with all these legion branches and that their response has been that which I have indicated.

This House, in all sincerity, can do nothing less than support to the fullest the approach and philosophy suggested by the hon. member for Winnipeg North Centre and the hon. member for Humber-St. George's-St. Barbe.

Mr. C. Douglas (Bruce): Madam Speaker, first of all I should like to say to the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) as well as to the Minister for Veterans Affairs (Mr. MacDonald) that I know the veterans of this country appreciate their concern and the opinions they have voiced many times in this House. They appreciate the non-partisan way in which veterans' problems have been brought before the House of Commons and the committee, and the attention they have received from members of all parties.

One thing I have noticed throughout this afternoon and this evening, Madam Speaker, is that hon. members who have spoken about the Veterans' Land Act and the amendment all have the responsibility of speaking for veterans. They have realized the devotion to duty and the work of the veterans in this country. I think we are all attempting in our own ways to reach the right solution. In this particular case, while I agree that many things are wrong with the legislation before us, I disagree with the means by which the opposition parties attempt to resolve the problem.

This is an act which I feel has served the veterans of Canada very well for the past 30 years, but which now has become time worn and, in many instances, has outlived its usefulness. I therefore support the decision of the Department of Veterans Affairs that the act be phased out with the final application date for loans to be March, 1975.

As I said in my initial address to the House, on the Address in Reply to the Speech from the Throne, the men and women of the Bruce-Grey area have been among the first to serve the needs of Canada as a nation in time of war. Also I believe many have taken advantage of the moneys and grants available under the Veterans' Land Act, and now many with whom I have talked feel that something more comprehensive and more up to date should take its place.

I think in many ways we as members and as citizens of this country put off things that should be done. I read an article in the *Globe and Mail* which said that over the past 15 years successive governments have tried to close the books on the VLA because it had served its original resettlement function, and is being used now for a quite different and unintended purpose, to assist world war II veterans to acquire farms and homes for their retirement years. I do not think that is why the act was originally introduced, and I do not think an act that is amended over and over again can successfully serve the same purpose at a later date.

We need a new act, something different. By continuing to introduce motions to amend the act we eliminate the possibility of getting a new act, one that would serve the veterans of today as well as those of the first and second world wars.

I did not hear many of the members who spoke this afternoon discuss what would happen to the young people who have gone into the services in the past two or three years. I believe their entitlement has ended, so we must come up with something for them when they come out of the service. It seems that in talking of world war I, world war II and the Korean war we somehow implied that the men and women now in the forces are not as good as their predecessors because they do not have a war in which to serve. We must look at these young men and women as the reason why we do not have a war. In many instances their work has prevented a war.

One aspect that we must think about, even though the closing date on loans under the Veterans' Land Act is March 31, of next year, is that these loans are for up to 30 years, which means that the administrative program of the Veterans' Land Act will have to continue well into the twenty-first century. To illustrate further, as many hon. members know, lending under the Soldier Settlement Act of World War I ceased back in 1924, only six or seven years after the end of hostilities in 1918. I believe that there is still one outstanding account under that act.

• (2110)

While we know that the Veterans' Land Act took into account the lessons learned in the administration of its predecessor, changes in the national economy and the circumstances of individual veterans and their families ensure that public servants will be required to manage the current VLA loans until they are paid up, after the year 2000.

One of the reasons, Madam Speaker, that I would like to give in explaining my stand on the act is that, first of all, part of the act states that veterans can borrow up to $18,000. I am sure that all hon. members who are in the House at this time realize that the incredible sum of $18,000 in this day and age will not even buy a garage in most instances, and certainly not even complete the basement or any semblance of an adequate house at this point in time. Therefore, it certainly seems to me that, bearing in mind this limitation, a much newer and better approach can be made.

While the argument can and will be put forth that housing is the main concern now for the VLA, I submit that the act was directed mainly to allow returning veterans the opportunity of establishing themselves in the field of agriculture, should they desire to do so. I am very happy to say that many veterans in the particular area that I represent certainly took advantage of this opportunity, and have become respected and well thought of farmers and citizens of the community.

Anyone who has had associations with the farm market in recent years and months would find the amount of $18,000 not only insufficient but ridiculous to the point of being outright offensive.

I would also like to comment on the lot restrictions contained in the act. Half an acre is required if one is to qualify. This, in some instances, I understand can be reduced by about 20 per cent. Madam Speaker, we must face the fact that they just do not make lots of half an acre any more, and if a veteran were lucky enough to find one, $18,000 would be completely consumed in the purchase of the lot. He would not really be much further ahead in obtaining the home he seeks. For a veteran even to think of moving into the agricultural field with that minimum amount of assistance would mean, I am afraid, his being laughed right out of the community.

As the minister has said before and as, I too believe, we must look at the matter in complete perspective. First of all the Veteran's Land Act was not designed, even in the beginning, to be a program of urban housing, nor as a part of a retirement program for persons reaching the end of their careers. The basic purpose was to provide loans for the purchase of agricultural land, to be used either on a full or on a part-time farming basis by veterans who were interested in that form of rehabilitation program on their return to civilian life, following wartime active service duties.

Another important aspect which I feel we are failing to grasp is that the Veterans' Land Act was part of a triumvirate, or three-pronged attack on veterans' problems at that time. Now that the two other phases have been curtailed for some years, it is the only remaining program. This, I believe, should be dissolved and a better, more up-to-date approach found to the problems of providing adequate housing, if we want to be specific, for our veterans. The two others, of course, were the university training program under the Veterans Rehabilitation Act and the re-establishment of credits under the War Measures Grants Act. The benefits of all three programs were alternative one to the other.

That meant that each veteran had the right to choose whichever plan he considered would best serve his needs and desires. The university training program was concluded in the 1950s, and October 31, 1968, was the final date for veterans to re-establish credit benefits. With this in mind I made it a point in the past few days to contact many Legion branches in my area. A member of the opposition talked about seven Legion branches in his area. In my area we have 17.

An hon. Member: Send a copy of your speech to all of them.

Mr. Douglas (Bruce): I intend to, if you will send your branches copies of your speech. I was able to contact 14 of 17 branches in the Bruce-Grey area. Without exception the members told me that, as far as they are concerned, the Veterans' Land Act should be phased out and a new plan, which will fit the needs of veterans, brought in.

An hon. Member: Where is it?

Mr. Douglas (Bruce): I think, if you will give us a little more than 15 days, the minister will come up with an idea.

An hon. Member: Which minister?

Mr. Douglas (Bruce): Why, the very capable Minister of Veterans Affairs.

Mr. MacDonald (Cardigan): How about that!

Mr. Douglas (Bruce): I concluded, from talking to Legion members in my area, that something better than the present VLA act is needed if we are to give the veterans of this country what they so richly deserve.

I would also agree that most of the veterans today who have credits under the Veterans' Land Act are in the position of considering retirement property and housing benefits. I am led to believe that a study is currently under way involving officials of Central Mortgage and Housing and the Department of Veterans Affairs to see if they can establish a much better program to replace the act, one with a new housing assistance program that would fit more aptly the current needs of such veterans who have been holding their Veterans' Land Act credits for the purchase of retirement property and retirement venture capital. We must look at this area seriously. This has been under discussion in one form or another for the past nine years, since the orderly phasing out of Veterans' Land Act lending operation was first proposed.

As of March this year, more than $1.25 billion of public funds had been allotted to veterans under the Veterans' Land Act, and over 140,000 veterans have taken advantage of the program. This is an indication that the initial concept of the legislation has now been fulfilled; and just as people who have served their country and their society well are given an honourable discharge and allowed to retire with dignity, so I believe the Veterans' Land Act can now be given just such an honourable discharge and allowed to retire with dignity, only to make way for more comprehensive and better legislation, made possible through the co-operation of both the Department of Veterans Affairs and Central Mortgage and Housing Corporation.

This should be legislation which will provide our veterans, who wish to use it, with reasonable and proper retirement housing or retirement property, so that they can complete their time among us in a dignified and honourable manner, a manner fitting to the great debt that we owe them for their sacrifice and courage in our country's most desperate hour of need.

I for one would certainly back any proposal which gives the veterans a better deal in housing, in opportunity, in medical care, and in the care of their families and dependants. I believe that much more can be done to provide assistance for many veterans who now are reaching retirement age. I want to see their pensions improved; I want to see some of the fringe benefits made available to them that they so richly deserve.

Therefore, Mr. Speaker, I must at this time go against the proposal that the Veterans' Land Act be continued in its present form, or for that matter in any form. I submit that the act should be allowed to expire on March 31, 1975, and that a much better and more varied program should be introduced by the Department of Veterans Affairs, one which will provide the veterans of Canada with the land, housing and retirement benefits they so richly deserve and have earned.

● (2120)

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, while I intend to be relatively brief tonight I must begin by saying it is a privilege to have the opportunity of speaking on behalf of veterans in this, my first intervention in debate in the thirtieth Parliament of Canada.

I am sure everyone appreciates what has been done for veterans in Canada. We have heard many references to the Veterans Charter—how changes have been made through the years in order to bring the charter more up to date. I do not think anyone in this chamber would take the position that nothing has been done for the veterans.

I feel there has consistently been a measure of co-operation and non-partisanship when dealing with veterans affairs. I had the opportunity and the privilege of serving on the Veterans Affairs Committee a few years ago, and I certainly found this to be true at that time. Nevertheless, I believe there are still in our midst veterans who are suffering certain injustices. I realize that a discussion of these matters would be outside the ambit of the present debate but I look forward to dealing with them on a future occasion.

I think we owe a debt of thanks to my hon. friend from Humber-St.George's-St. Barbe (Mr. Marshall) and to the hon. member for Winnipeg North Centre (Mr. Knowles). We know that, thanks to their efforts, we have this opportunity of making our views on this matter known to the government. Had it not been for the continued prodding of these two hon. gentlemen, along with others, I do not think the VLA would have survived the date of March 31, 1974.

May I hasten to say that I believe the Minister of Veterans Affairs (Mr. MacDonald) has the interests of Canadian veterans at heart, and if he had his way I am sure he would take the same stand as that taken by the two hon. gentlemen I have mentioned, along with other members on this side of the House. Unfortunately for him, for us, and possibly for the veterans of Canada, the minister has about 28 individuals in the cabinet to contend with, and I fear there are many occasions on which he has not been able to convince them that certain steps should be taken to meet the needs of veterans at the present time.

Why the government feels as it does is difficult to say. A great deal of money can obviously be found for things that are of less consequence than the measure before us, and it would seem to me that the idea of restricting expenditure is now being applied in an area to which in no circumstances should it be applied.

I remember the debate which took place in this House on March 28, 1974, when the minister introduced the bill to extend the VLA to March 31, 1975. My hon. friend from Humber-St. George's-St. Barbe said then, as reported at page 950 of *Hansard*:

> If the government were really sincere it would extend the deadline, increase the loan ceiling, and many more veterans would be served.

Later he stated:

> There is no earthly reason for phasing out this act until every last veteran has been served.

That is our position today, too. The program should continue until all who wish to do so have been given every possible opportunity to participate. My hon. friend went on to remark that unfortunately the minister was not with the right government. Well, Mr. Speaker, we know that those were the days of minority government when the cabinet was a little more responsive to the desires of the minister than it probably is at the present time. Now with the threat of parliamentary defeat removed it seems the government is prepared to dig in its heels and adopt the adamant position the minister has indicated, though such a position was possibly taken without his full agreement.

[Mr. Douglas (Bruce).]

My hon. friend from Lambton-Kent (Mr. Holmes) made a request, and I should like to support that request. He asked that before the close of this debate the minister should take the floor and state that, in response to the pleas which have been made, he is prepared to go ahead and review the situation. A number of matters have been brought to his attention with regard to the act, and I shall not enlarge upon them. I shall simply mention the suggestions which have been made in order to reinforce the argument in favour of the motion before us.

We have been seeking (1) an indefinite extension of the legislation, (2) an increase in the ceiling on loans, (3) a decrease in the size requirement applicable to lots purchased under the act and (4) the elimination of the certificate of entitlement to qualify for benefits. These are improvements for which some of us on this side have been pressing. Again, recognizing the minister's position and his heroic service to the nation in addition to his understanding of veterans' problems, I would like to feel that these are proposals which he himself would wish to see carried out on behalf of those who served their country in time of need.

I believe it is reasonable to seek the indefinite extension of the act. Some have argued that the original intention was not to provide housing for veterans, and perhaps that is true. However, I ask the question: was the original intent of old age pension legislation that of providing income security? I do not think it was. The original intention was that the pension should be an additional benefit to supplement whatever income senior citizens had been able to provide for themselves for their retirement. However, it has now evolved over the years into an income security scheme that is the sole income for many individuals in our society.

● (2130)

So we ask the question: why cannot the Veterans' Land Act not become the major source of housing for veterans, rather than trying to devise a whole new program of housing for veterans, which I venture to say we will not see anyway? Why not use the mechanism that is already available? It would seem to me that this would be the sensible way to proceed, but unfortunately the government sometimes does not seem to operate in a sensible manner.

So we ask tonight: do we follow the example in the story that I remember reading when I was a boy at school—which is a few years ago now—of the dog that was crossing a little narrow bridge over a stream? This dog had a big bone in its mouth. He looked down and saw the reflection and it looked better than reality, so he dropped

the bone, made a grab for the shadow, and lost the whole thing.

We are being asked to support a proposition tonight that we are going to have something better in the future for our veterans. We are not sure what it is, but we are asked to vote out of existence a plan that has some reality to it in the hope that something else will materialize and become reality in the future.

I also think the certificate of eligibility is a somewhat ludicrous requirement. As my colleagues have been emphasizing today, a certificate should be available to veterans as long as there are veterans who require the benefit of the provisions in this measure. I believe these men and women have proven themselves in times past. I believe they have satisfied the nation of their service. What more should we want our veterans to prove than the record that they have established?

Without belabouring the point any further I hope the minister will let the House know what he thinks of the proposals that have been advanced by members on this side. I trust that he will reconsider his announcement of the phasing out of this legislation and agree to the indefinite prolongation of this plan, which we believe will continue to be of great importance and assistance to the veterans of this nation.

Mr. Deputy Speaker: Is the minister rising for the purpose of asking a question, or on a point of order?

Mr. MacDonald (Cardigan): Mr. Speaker, if the House would permit me, I should like to say something for information purposes.

Mr. Deputy Speaker: Order, please. The minister is aware of the fact that he has already spoken, and in speaking twice he would close the debate unless he has the unanimous consent of the House.

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker; it is not the minister's motion.

Mr. Deputy Speaker: That is right, I stand corrected. But the minister has spoken, and to speak again he would need the unanimous consent of the House, even though it might be to give the House information. Does the House agree?

Some hon. Members: Agreed.

Mr. MacDonald (Cardigan): Might I explain, Mr. Speaker. I was using notes when I spoke, and when I got my blues and checked them I saw I had inadvertently picked up the wrong page and omitted from my remarks a page of notes that I sent around to the various House leaders. It is important to my statement in general, and if the House would allow me to add three paragraphs I would appreciate it.

Some hon. Members: Agreed.

Mr. MacDonald (Cardigan): For the information of *Hansard* the insertion comes right after the sentence which reads: "Any veteran seriously interested in settling on the land has had ample time to do so." I then omitted the following: "It is a fact, of course, that the average age today of world war II veterans is approaching 60, and most men of that age are not interested in getting into farming but, rather, getting out. This is evident not only by the limited number who have settled under the full-time farming provisions of the act in recent years but by the number who have paid up their loans and terminated their contracts.

"In commenting on the extensive period that the Veterans' Land Act has been in operation, I think it is appropriate to refer to the Soldier Settlement Act, its predecessor for veterans of world war I. Settlement under that program, which involved the establishment of 37,000 veterans, was terminated in 1924. By next March, the Veterans' Land Act will have been in effect more than five times as long. More than 140,000 veterans will have been settled under its various provisions involving advances of public funds of over $1.25 billion.

"Apart from the comparative details I have just provided, I think it appropriate to make at least passing reference to the recent major changes to the Pension Act and the War Veterans' Allowance Act. I would point out, as well, that the estimates for veterans affairs this fiscal year is almost $600 million, the second highest in the history of the department. As I stated in the House on October 7 last, the record of this government in the field of veterans' legislation has been outstanding and is self-evident rebuttal of the statement made recently that our veterans are treated with something less than the consideration they deserve."

I want to convey to my fellow members my deep appreciation for their permission.

Mr. Leonard C. Jones (Moncton): Mr. Speaker, the legislation that we have on our statute books for veterans has been good and progressive legislation, and I do not think that this is the time to stop its operation. I should just like to make a few points about the question under debate this evening.

This country, including each and every citizen, owes a moral debt to all veterans and servicemen generally, and I emphasize the word "all". At the present time, wherever our servicemen are serving they are serving under undue stress and severe hardship. The debt that we owe our veterans has not been paid and probably never will be paid. To those who have lived to return from service and to continue as citizens of this country, we owe not only a moral debt but a great material debt.

I urge that instead of abolishing the Veterans' Land Act or reducing the present policy under the act, the policy should be extended in time and made available to all veterans. The structures respecting lot sizes should be based on municipally and or provincially approved lots. Like many veterans who are members of the House, I too will be sharing fellowship and comradeship on Monday next.

I cannot agree and I will not agree that this legislation is worn out. If the government intends to present other legislation in lieu of it, then the responsibility is upon the government to introduce that legislation forthwith. The entire House should be privy to the intentions of the government. We cannot erase veterans' legislation unless we are certain that servicemen will never go to battle

again. We must retain our veterans' legislation just in case we have not seen the last of world war. If the act is not amended to extend the time and widen its provisions we will certainly be taking a step backward instead of a step forward.

● (2140)

[*Translation*]

Mr. Prosper Boulanger (Mercier): Mr. Speaker, as many other members in this House, I must say that it is an honour for me to rise in this debate on the motion introduced by our distinguished colleague, the hon. member for Winnipeg North Centre (Mr. Knowles). When one addresses this House on veterans' affairs, there is no doubt that it is a very moving subject, and there is no doubt either that we can often let ourselves be carried away by our emotions and forget the facts.

It is not because a few of us here are veterans that we have necessarily reached the peak of perfection in terms of veterans legislation. One thing is sure, when one is both a veteran and a member of parliament, one is first of all proud to be able to say that we now have a minister who is probably, in addition to his qualifications as a minister, one of our greatest, most deserving and most dedicated veterans of World War II. We owe him special tribute, particularly for the work he has done and the dedication he has shown since his appointment to this high office.

We have only to listen to you to realize that you all have at heart the interest and the well-being of veterans of World War I and II. None of us wishes anything else than the good of our veterans and certainly I am one of those. It is a most moving subject which we could discuss for several hours.

As those who talked before me, on November 11, Remembrance Day, I too will attend the parade, as I have done every year and not only since I have been elected to Parliament. I have done so for a long time, as a member of the Canadian Legion, as a member of the Canadian Armed Forces, I will do my duty as a member of parliament, just as anybody else, and especially as a former member of the Royal Canadian Air Force.

That does not mean that when there is a decision to be made, only feelings are taken into account until the last minute and that we cannot be a little more realistic at a given time.

I listened to many members talking most sincerely as did the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). No hon. member in this House has any doubt about his sincerity and dedication towards the veterans of Canada. None of us entertain any doubt about the other members who talked tonight.

Now, I am chairman, and I am proud of it, of the standing committee of Veterans Affairs. I am trifling a little saying that I will now speak French because when I chair the committee I speak English so that I will get done more quickly. I know that I could also speak French and so feel more at ease. But I use English to better co-operate.

Today, we succeeded in tackling Bill C-4. It must not be forgotten that the third report of the standing committee has been tabled in the House at two o'clock, this afternoon, and all the committee members certainly deserve congratulations for their achievement. It will be always possible to improve the Veterans Affairs Department Act and especially the Veterans Land Act. I am quite ready to agree that there are pros and cons and that pros are 100 per cent commendable. The arguments against, at this time, the arguments of those who want to retain the present legislation and that the deadline be extended to March 1975 find much less support. That is for sure! But I know that some members opposite have said that the minister might not exert the influence he should in the cabinet. I do not entirely agree with that.

The Minister of Veterans Affairs (Mr. MacDonald) does not look like a man who is ready to give up or to answer the veterans' problem with a flat refusal in the last remaining days. I am not disclosing any secret since I am not in the confidence of the cabinet or the minister. Apparently, the minister as any good veteran has a trump card hidden somewhere which will enable us once the legislation is phased out to carry on our work through a new formula and a new procedure which will perhaps assist a great number of veterans who have not yet taken advantage of that legislation.

I would like to quote statistics like all the others. I suppose that in such a debate we are likely to repeat ourselves. In the first place, we cannot refer to no other legislation than this one. Even what I have to say would compel me to quote some documents, some figures and some dates. I should honestly admit that it has been said already three or four times by some government members. I have never heard any member opposite say so. Nevertheless, one aspect of these figures strikes me. A previous speaker said that the laws have been amended and upgraded from the year following the war. Then a date came where we witnessed something extraordinary. In 1959, Parliament approved the cut-off date of September 30, 1962. I remind my distinguished colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), of this fact.

In 1959, the cut-off date of September 30, 1962 was approved. If we recall, this government was not in power at that time. The opposition members are trying to tell us what to do. It seems to me that at that time, they had every opportunity to do what they are asking for today, under more difficult conditions. At that time, the issue was the eligibility to benefits under the Veterans Land Act. In 1962, we were not yet in power, let us not forget it, this cut-off date was extended to October 30, 1968.

● (2150)

We were then on the Opposition side of the House and we agreed with the government's proposals. The Act was amended to this effect in 1967 and 1968. The new cut-off date received a great deal of publicity. We will recall the many debates on this subject, the publicity made in newspapers as well as in all information sent to the Canadian Legion.

In view of the rehabilitation factor of the post-war years, people said that Parliament had approved the new cut-off date in 1965 in order to eliminate in a fair and methodical manner the loans granted under the Veterans' Land Act. It is on March 31, 1974, that the cut-off date was set to enable the veterans to get a loan for the purchase of

a property. As everyone knows now, it has been repeated many times today, the cut-off date has been extended to March 30, 1975, providing that the construction work on a house or the improvements referred to in the loan request begin before March 31, 1976. I must say quite candidly that we repeat ourselves. I heard it all this afternoon. Any veteran by virtue of a sales agreement entered into with a director can ask for supplementary financial assistance, apparently up to a maximum provided for by the Act until March 31, 1978.

If such a loan application includes an amount for the construction of a home or other renovations, construction work must begin before March 31, 1979. It is believed that these new arrangements made possible under these provisions of the Act will be particularly useful to qualified veterans who are still in active service and who are not thinking of retiring before four or five years. If time allows it, I can give still more statistics. When the limit is set at March 31, 1975, that means that World War II will have been over for 30 years and, the Korean War, for 20 years.

It is quite difficult if this is analyzed in an objective manner with all sentimentalism put aside, to claim that veterans did not have enough time to ask for re-establishment funds provided for them after the war and active service. There are some, like me, who took advantage of the other advantages that were at our disposal. Some attended university, others used their funds to set up a business.

We must stick to this part of the Act; we all have been helped to date, those of us who wanted to be, and taking into account the agricultural emphasis in the Act at the time, there has always been a requirement concerning the minimum age required for part-time farming or for small acreages. The hon. member for Timiskaming (Mr. Peters) talked about that this afternoon. Here again, I could go into lengthy discussions, but it was so well said by the hon. member. The limit was brought down from three to two acres. Today a final agreement has been reached allowing veterans to build a house on approximately 17,000 square foot lots. Until now, the veterans have got what they have been willing to ask for. To reduce or still to remove the acreage requirement has now given this new idea to some of our veterans. And why not take advantage of the legislation at the age of 55 and buy a house for one's retirement as a pensioner on a small piece of land in the suburbs, away from the urban centres? One could then take fully advantage of this act which allows one to build a house on a small piece of land at a price that is still debatable, because it is not easy nowadays to build under the existing legislation with a loan of about $18,000. Everybody knows that this figure is higher today because in our area, namely Pointe-aux-Trembles, in the eastern part of the island of Montreal, where lots are probably the cheapest right now, it is still possible to build a house for approximately $23,000 or $24,000. This is much more than the amount of $18,000 allowed under the act.

Mr. Speaker, I wish to let other members speak before ten o'clock. I had much more to say, but I humbly admit that I would probably be covering the same ground, since my colleagues as well as opposition members have spoken before me.

Mr. Speaker, I wish to say in conclusion that I listened with interest to the speeches of hon. members from both sides of the House. I am convinced that we are all sharing here the same concern about our veterans. I hope also that the Minister of Veterans Affairs, who is probably keeping his trump cards well hidden, will be able some fine day to bring in some legislation on which the opposition for once will fully agree with us, since we already recognize that we must keep on helping our veterans.

I have complete faith in the government, the Prime Minister and his cabinet, and especially in his efficiency and his gumption.

[*English*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, this is not the first occasion on which I have risen to speak as the clock reaches ten o'clock. I do not share the confidence in the government that was so eloquently spoken of by the speaker immediately preceding me. As we approach the solemn ceremonies of November 11—

● (2200)

[*Translation*]

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

Since I was busy giving part of my speech to the messenger, I did not hear with what part of my speech the hon. member did not agree. Did the hon. member specify? I would like to know.

Mr. Munro (Esquimalt-Saanich): If I may, Madam Speaker, I just want to say that I am not as confident as the hon. member who spoke before me. He expressed his confidence in the government. With your permission, Madam Speaker, I should like to call it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

IMMIGRATION—CONSEQUENCES OF DEPORTATION OF HAITIANS—ATTITUDE OF THE MINISTER

Mr. Claude Wagner (Saint-Hyacinthe): Madam Speaker, according to departmental figures, the Immigration Appeal Board is presently reviewing the cases of 828 Haitians who have applied for the landed immigrant status.

I understand that this Board has rejected up to now some 90 per cent of the appeals for those who came in after November of 1972.

As Canadian citizens and as citizens of the world, we cannot and we will not wait until we witness the massive deportation of some 900 to 1500 Haitians before we get

moving and force the government into action, when we know how repressive is the regime they have in Haiti.

The Minister who still claims that he has no evidence that the deportees will be ill-treated once they are back in their country, cannot ignore the fact that the regime of Jean-Claude Duvalier indulges in the most dreadful whims in order to stay in power. The Minister cannot ignore completely the reports, available at any time, of those people, Canadians or Haitians, who lived there as missionaries or in other qualities, and who say they fear the worst for the repatriated.

I wish that the Minister could and would at least answer the following question:

Does he not think that the Haitians asking for political asylum in Canada have, by doing so, disapproved the Duvalier dictatorship and therefore can he not imagine the sad lot awaiting these Haitians as soon as they are back in their native country?

I ask the responsible minister the question of a Canadian reporter, and I quote:

> Mr. Minister, what does a Haitian forced to come back to his country after having been refused the statute of political refugee abroad look like at the Port-au-Prince airport in front of Duvalier protean militia?

The department tells us that only 28 Haitian immigrants formally applied for the status of political refugee in Canada. This is a legalistic approach of the matter. Don't we realize that many Haitians living in Canada, afraid anyway to be deported, do not dare to apply formally for such a status?

For goodness' sake why does the minister not set aside his legalistic attitude in this matter and avail himself, which would be every bit as legal, of that other provision of the act which gives the Immigration Appeal Board the discretionary power to make special concessions in the case of applicants when compassionate or humanitarian considerations warrant it.

If, to convince himself of the existence, if fact, of humanitarian considerations, the minister is not satisfied with the contents of the letters of Father Paul Dejean, head of the Montreal Haitian Christian Community office, if, as I say, the minister doubts the word of those innumerable persons or organizations who have written to him recently, he should at least discuss the whole subject with his former employees who worked over there or, to be more specific, with Mr. Mackenzie Wood, who was recently recalled home after having acted in Haiti as Canadian chargé d'affaires.

One way or the other the minister will surely be convinced that my concern is highly humanitarian in the case I am pleading here. The minister may hesitate to intervene, for fear of jeopardizing the success of the Canadian mission headed by Mrs. Michèle Mant, now in Haiti since November 2nd last and due to return here on November 17th. That mission expects to reap the fruits of the recent visit to Haiti of the president of CIDA, Mr. Gérin-Lajoie, and of our 4 million-dollar aid program.

If such is the case, and I have every reason to believe it is, why did the minister not use his influence with his colleague from External Affairs to delay the departure of that mission?

[Mr. Wagner.]

In any event, I ask the minister, in view of the probable success of that mission, and especially of the fact that Canadians in general, and more particularly the press, have only started a week ago to be interested in this record, to grant another extension in this matter.I appeal to him to change his decision. It is a matter concerning the social justice and humanism of this government, the Parliament, and all our country.

In closing my remarks, I would like to ask the whole cabinet, starting with the Prime Minister (Mr. Trudeau), to meditate this sentence of the president of CIDA, taken from the brochure "Man First" of this agency, and which reads as follows:

> "An effective co-operation in the development of third world nations would give priority to the status of man in society and would center his activities on the will to meet human needs and aspirations adequately . . . because, finally, the value of assistance or co-operation must be measured in terms of the degree of happiness of the men who live in a society."

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Madam Speaker, I think all members of this House and most Canadians would have great sympathy for the plight of any people, and particularly of the Haitians to whom the hon. member has been referring. I want to reiterate, however, that any one in Canada, from Haiti or anywhere else in the world, who feels that he has grounds for fear of prosecution or persecution on returning to his own country need not feel that he is without recourse to the law. Any such person would have immediate access, by the declaration that he or she considers himself or herself to be a refugee, to an administrative and legal process which, as already stated, comprises a review of the situation he is claiming, by a refugee committee and, if necessary, an appeal to the Immigration Appeal Board.

No well-founded claim of refugee status will be ignored. By the same token, Madam Speaker, we simply cannot make a mass declaration. Indeed, not all Haitians in Montreal who came to Canada and are now in Canada illegally are in fact making claim to refugee status, and not all those who make claims, in the cases I have personally examined, are entitled to that status. Those who are entitled are being granted refugee status.

The bulk of the cases to which the hon. member referred are before the Immigration Appeal Board. That body has separate and autonomous jurisdiction to deal with those matters based on refugee status as defined under the protocol of the United Nations which I described earlier. Beyond that the board has authority in most cases for those people who came prior to August, 1973, to deal with the matter of deportation on humanitarian grounds over and above refugee status. The process of law is taking place; it is compassionate, and it provides for compassionate decisions.

THE CANADIAN ECONOMY—MARITIME PROVINCES—ALLEGED GLOOMY ECONOMIC FORECAST BY PUBLIC WORKS DEPARTMENT—PARTICIPATION BY DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

Mr. Andy Hogan (Cape Breton-East Richmond): Madam Speaker, my question directed to the Minister of

Public Works (Mr. Drury) on October 28—which happens to be my birthday—concerned a story carried in the Montreal *Gazette* via the Financial *Times*. The story, under the byline of Clair Balfour, said that a special study was undertaken for the federal Department of Public Works. The story indicated that the study done for the federal Department of Public Works concluded that there was a good decade ahead for all regions of Canada but the Atlantic one.

The main predictions for the next decade as regards the Atlantic region were, first, that the Atlantic provinces will have slow population growth; second, that above normal underemployment that has constituted the normal historical pattern will still remain a major problem.

That is not saying much for DREE policies, is it?

Annual unemployment in the Atlantic region averaged 9.6 per cent during the 12 months ended last September. This, it must be understood, is not an accurate measure of the underuse of human beings as refined by labour force participation rates and discouraged workers dropping out of the labour force altogether, during the recurring downturn of the economy.

This underutilization of human labour becomes absolutely critical when the government overuses national fiscal restraint and tight money policies as it did in 1969 and 1970—the effects of which in the Atlantic provinces, and on heavy unemployment areas within it like Cape Breton, become absolutely critical in terms of human suffering and economic waste.

I have already noted in a speech to the House on October 15 that this general type of federal policy contradicts its regional policy and the effects of it, to repeat, are disastrous for the Atlantic region.

● (2210)

I plead with the Minister of Finance (Mr. Turner) not to use that strategy again in his upcoming budget and, instead of bringing in a tight money policy, to increase the narrowly defined money supply by at least 8 per cent and make any fiscal cutbacks necessary to relate to provinces with low unemployment or, if you will, full employment levels.

The study done by the federal Public Works Department is supposed to have concluded that unless off-shore oil or natural gas is found, the Atlantic provinces seem likely to be again by-passed during the decade ending in 1985. Again, alluding to the speech of October 15 on the importance of offshore oil or natural gas to the development of the Atlantic economy, I said, as recorded at page 438 of *Hansard*:

Let them—

Meaning the politicians:

—not give the people exaggerated impressions to the effect that income and employment prospects from off-shore oil exploration will make that much difference to the region.

The study done by the Department of Public Works seems to fall into this trap. I ask the department to read "The Impact on the Regional Economy of Eastern Canada Resulting from the Potential Development of Off-shore Oil and Gas", the study done for the Department of Regional Economic Expansion and the Department of Energy, Mines and Resources in April, 1972.

The Public Works Department study is said to predict that the Maritime coal industry will be revived. In that connection let me assert again that a major steel complex envisaged for the Cape Breton area is a much greater prospect for doing more for income and employment in the Atlantic area than off-shore oil developments. This will take advantage of our changing comparative advantage in geographical location, which is tied to the ongoing changes in the world's transportation technology and the growing importance of deep water superports.

Everyone, Madam Speaker, should realize that there are many obstacles to overcome and trade-offs to be made if the giant steel complex is to become a reality. Recently the Minister of Finance of the Nova Scotia government was quoted as saying in New York that in this connection the Cape Breton coal mines, now owned and controlled by the federal government through Devco, may be turned over to the proposed consortium of steel buyers who would have an important interest in the steel development.

I want to emphasize this evening, with all the authority that I can muster; that such a move would be absolutely abhorrent to myself and others who have seen the results of private enterprise in the Cape Breton coal fields in the past. Indeed, I would argue that even with the likelihood of economic viability for the Cape Breton coal industry in the near future, the federal government must make sure that funds are available to Devco to create preventive health facilities against the ravages of silicosis, as well as to correct the poor housing conditions that are the ongoing result of a private enterprise company town's past legacy to that area. It should be obvious to anybody who knows of the desperate and continuing economic insecurity in that area that Devco must play a large role in helping to diversify that historic section of Canada. I again ask the minister to table that study.

Mr. Charles Turner (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, in replying to the hon. member for Cape Breton-East Richmond (Mr. Hogan), a highly respected member of the thirtieth parliament, I wish to inform him that the study to which he referred concerning the regional economy of eastern Canada has not been carried out.

I have been asked to make a statement concerning an article that appeared in the Montreal *Gazette* on Friday, October 25. This article reported, in effect, that a study carried out by the department indicated that although the economic situation looked rosy for most of Canada for the next 10 years or so, this would not likely be the situation with respect to the Maritimes, barring some major development such as the discovery of large oil or gas deposits off the east coast.

First of all, let me state that the press report is fundamentally wrong inasmuch as no study of this nature has been completed by the department. It is true that a study is being carried out, but it is one very narrowly focused on the specific question of likely long term requirements for federal office accommodation generally across Canada, and geographically. One of the techniques the department has utilized in preparing for this study is that of sampling

a broad range of opinions on likely developments, on a geographic distribution basis which would influence the demand for federal office accommodation.

The article in the *Gazette* merely refers to a summary of these opinions, and I repeat that they are just that—opinions. While they are possibly of some usefulness to the department as input into the continuous studies necessary for good forward planning, they are being cross-referenced with many other sources of information and will play only a minor role in the final picture which the department arrives at for long term planning purposes.

I would add that this is the first use the department has made of this particular sampling technique. As a tentative conclusion, I may say the technique appears to contain a fatal flaw in that most people, when asked their opinion as to the future, tend simply to project the present into the future. This defeats the whole purpose of seeking informed opinion on the likelihood of major changes over the long term and their probable impact. I might say, too, that once the study has been completed it will be used for internal federal accommodation planning purposes only.

In answer to the supplemental question, "Was the Department of Regional Economic Expansion consulted in the carrying out of this study?", I repeat that the study has not yet been completed; DREE will be consulted at length as the study progresses.

URBAN AFFAIRS—LAND ASSEMBLY—REQUEST FOR MEASURES TO ASSIST MUNICIPALITIES RETAIN GREEN SPACES

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I am happy to see in his place the Parliamentary Secretary to the Minister of State for Urban Affairs (Mr. De Bané), my colleague and friend. I trust he will be able to give me a better answer than I received from his minister on October 7. I am not holding my breath, because time is going by and I am allowed only seven minutes.

The subject I wish to raise tonight relates to the question I addressed to the minister on October 7. I asked him specifically whether there was any government program to assist municipalities which were trying to retain green space which was privately owned and which would otherwise be lost to development. The minister failed to answer that question, but I think it can be taken from the transcript in *Hansard* at page 164 that, in fact, there was no such program. When I mentioned a specific problem in the City of Vancouver in the riding of Vancouver South, that of the Langara lands, the minister said:

> My ministry is working on that plan very closely with officials of the city so that the specific case referred to will come within the overall plan.

The minister is not here tonight. I have great respect for the hon. gentleman, but when he gave that answer he obviously did not know what he was talking about. The lands in question are lands owned by the CPR as part of the land grant made many years ago. They have been used basically as a golf course until now. Vancouver has been able to purchase some of this land, and there are about 100 acres left.

Vancouver has purchased from the Canadian Pacific development company the remaining acreage at a cost of

$400 million, and the city authorities do not have the money to pay for it. As a consequence they propose to take 20 acres, incredibly valuable recreational land in the centre of the city, and subdivide it to pay for the remainder. Plans have been drawn up by a citizens' committee in the area in the hope of saving this land, and it seems to me the committee has a far more perceptive understanding of the value of this land than either the federal government or the other levels of government involved.

● (2220)

The result of their efforts was that the provincial government has been prepared to pick up two parcels of land, one for the adjacent Glengarry College for a campus, and another for a green space out of its green space fund, which leaves the city to pick up the remaining seven acres for $1.5 million. In effect this plan would give the whole of this acreage to the city of Vancouver for a cost to the city of $1.5 million.

During the recent election campaign the Conservative party was able to make a commitment that if we succeeded in the election we would immediately sit down with the citizens' committee, the city of Vancouver and the province of British Columbia, and enter into a shared cost program to pick up this remaining land, so that together with the province we would save this vital piece of green space in the city of Vancouver.

It is interesting to note that in the 1972 federal campaign the Liberal party had no trouble at all committing $30 million of their money—I do not know where they got it from, but I have no objection to their spending it—to acquire waterfront land for the city of Toronto for parks. I am completely in accord with this decision, but I cannot understand why such decisions are made on an ad hoc basis and always in the middle of an election.

At the same time I would point out that when the city of Vancouver was trying to re-acquire the Department of National Defence lands at Jericho during that same election, the Liberal party failed somehow to recognize the significance of this, and of course it was a matter of some concern to the city citizens of Vancouver to find $30 million spent in Toronto with nothing appropriated for green space in the city of Vancouver.

So my questions to my hon. friend tonight are specific. First, is the government prepared to come before this House and present to it any sort of plan whereby municipalities which are short of funds can be given federal assistance to preserve these green spaces which are already alienated and in private hands?

My second point is simply that during the election campaign the Liberal candidate and his workers in the riding of Vancouver South were very much in favour of saving this green space, and intimated that they would find federal help to save this green space for the city of Vancouver if the Liberals were returned to office. As you well know, Madam Speaker, they were returned to office.

My last question is this: if the citizens' committee, which as I said before is showing more thought and perception about the problem than anybody else so far, comes directly to the federal government and asks whether the federal government will sit down and discuss with them some means whereby a financial formula can be put to-

gether to assist them in saving this land, will the federal government find some means of assisting the city of Vancouver in what, when you get right down to it, is a last ditch fight for one of the few remaining green spaces in the third biggest city in Canada?

Mr. Pierre De Bané (Parliamentary Secretary to Minister of State for Urban Affairs): Madam Speaker, I was most impressed with the strong representations of the hon. member for Vancouver South. I hope that during the period that I am Parliamentary Secretary to the Minister of State for Urban Affairs I will have occasion to go to Vancouver and see the situation about which the hon. member spoke so eloquently.

Mr. Alexander: Go tonight.

Mr. De Bané: I thank the hon. member for the invitation, and I hope I will be able to go there as soon as possible.

With regard to meeting with the citizens' group, the federal government is the government of all Canadians and we can meet with any citizens' group. But in municipal matters very delicate questions are involved, and primarily I think we should deal with provincial governments as well as with municipal governments. That is not to say that we should not also meet with citizens' groups.

I can assure the hon. member that the federal government is in full agreement with him that there is a need for open spaces in any new development. But one must bear in mind that overall control of land use is a provincial responsibility. Indeed, it is the usual practice of the provinces to require that a percentage of land for development be set aside for park use.

[*Translation*]

During the tri-level conference held last autumn, the hon. Minister of National Revenue (Mr. Basford), when suggesting guidelines for the land assembly program implemented by a province or a municipality under the terms of the National Housing Act, recommended that the profits from the leasing or the sale of the land be ploughed back into the project. Thus, land reserved for green spaces and other facilities, including the development of land for recreational purposes, as well as community-oriented buildings, could be provided under this program to the extent allowed by the profits from the sale of the land.

Moreover, under the terms of the new community program, the government is authorized not only to acquire the land, but also to include land for public spaces within or around a new community, or to use such land to separate it from an existing community.

[*English*]

Having spoken briefly on the means to ensure that green spaces will be provided in future land development financed under the NHA, I must now restate our concern for the older cores of cities. It is possible, since last year's amendments to the National Housing Act, for municipalities to undertake neighbourhood improvement programs to redesign and rehabilitate older core areas, and to provide open spaces and community facilities in them if this is the wish of the residents of the neighbourhoods when establishing priorities for the use of the available federal funds.

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

END OF VOLUME I